

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-SECOND PARLIAMENT

4-5 ELIZABETH II

VOLUME I, 1956

COMPRISING THE PERIOD FROM THE TENTH DAY OF JANUARY, 1956,
TO THE TENTH DAY OF FEBRUARY, 1956, INCLUSIVE

INDEX ISSUED IN A SEPARATE VOLUME

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1956

DEBATES

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION - TWENTY-SECOND PARLIAMENT

4-5 ELIZABETH II

VOLUME I, 1956

CANADA

House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable L. René Beaudoin

Tuesday, January 10, 1956

THIRD SESSION—TWENTY-SECOND PARLIAMENT—OPENING

The parliament which had been prorogued on the twenty-eighth day of July, 1955, met this day at Ottawa for the dispatch of business.

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

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

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

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

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

And the house being returned to the Commons chamber:

VACANCIES

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

Of L. Philippe Picard, Esquire, member for the electoral district of Bellechasse, by resignation.

Of J. Gaspard Boucher, Esquire, member for the electoral district of Restigouche-Madawaska, by decease.

Of Jean-François Pouliot, Esquire, member for the electoral district of Temiscouata, consequent upon his being summoned to the Senate.

Of Honourable C. G. Power, member for the electoral district of Quebec South, consequent upon his being summoned to the Senate.

Of David Arnold Croll, Esquire, member for the electoral district of Spadina, consequent upon his being summoned to the Senate.

Of Honourable Alcide Cote, member for the electoral district of St. Jean-Iberville-Napierville, by decease.

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

NEW MEMBERS

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

Of Francis Gavan Power, Esquire, for the electoral district of Quebec South.

Of Jean-Paul St. Laurent, Esquire, for the electoral district of Temiscouata.

Of Ovide Laflamme, Esquire, for the electoral district of Bellechasse.

Of Joseph Charles Van Horne, Esquire, for the electoral district of Restigouche-Madawaska.

Of Charles E. Rea, Esquire, for the electoral district of Spadina.

Of J. Armand Menard, Esquire, for the electoral district of St. Jean-Iberville-Napierville.

NEW MEMBERS INTRODUCED

Ovide Laflamme, Esquire, member for the electoral district of Bellechasse, introduced by Right Hon. L. S. St. Laurent and Hon. Jean Lesage.

J. Armand Menard, Esquire, member for the electoral district of St. Jean-Iberville-Napierville, introduced by Right Hon. L. S. St. Laurent and Hon. Roch Pinard.

Speech from the Throne

Francis G. Power, Esquire, member for the electoral district of Quebec South, introduced by Right Hon. L. S. St. Laurent and Hon. Hugues Lapointe.

Jean-Paul St. Laurent, Esquire, member for the electoral district of Temiscouata, introduced by Right Hon. L. S. St. Laurent and Hon. Hugues Lapointe.

Joseph Charles Van Horne, Esquire, member for the electoral district of Restigouche-Madawaska, introduced by Hon. George A. Drew and Mr. G. W. Montgomery.

Charles E. Rea, Esquire, member for the electoral district of Spadina, introduced by Hon. George A. Drew and Mr. Roland Michener.

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate:

Members of the House of Commons:

It is with pleasure that I greet you as you resume your parliamentary duties at the beginning of this new year.

Since you last met there have been significant international developments. Some of them have been welcome as releasing tensions in certain parts of the world while others unfortunately have had the contrary effect. My ministers remain convinced of the need to maintain the defences of the free nations as a deterrent to war. A strong North Atlantic Treaty Organization and adequate protection for this continent are in their view fundamental to the preservation of peace and the security of Canada.

Security, however, cannot rest on arms alone. The government, therefore, is continuing its constant efforts, through diplomacy and negotiation and through the United Nations and other international agencies, to bring about better understanding between nations.

A meeting of commonwealth prime ministers will be held in London in June to consider matters of mutual interest. My prime minister has accepted the invitation to attend.

Meanwhile my ministers are looking forward to the visit to Ottawa in February of the prime minister and the foreign secretary of the United Kingdom.

The annual meeting of the consultative committee of the Colombo plan agreed that this constructive work should be continued for a further period and you will be asked to authorize Canada's continued participation in the plan, as well as in the United Nations technical assistance program.

[Mr. Speaker.]

A royal commission has been appointed to consider and report upon the development and financing of television and sound broadcasting in Canada.

The royal commission to examine and report upon our economic prospects is proceeding with its inquiry.

The year just ended has been the most productive in our nation's history. More men and women have been employed than ever before. Our harvests have been abundant. Our trade has exceeded all earlier levels. A record number of houses has been built.

Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being. In particular, although sales of wheat in the past five years have been at record levels, an unprecedented series of bumper harvests has made necessary the storage of abnormal stocks of grain both in elevators and on farms. Lack of space in elevators has limited the ability of producers to deliver grain as early as usual in the marketing year. In order to provide an immediate source of funds where they may be needed, my ministers will ask you to authorize guarantees for bank loans to producers secured by their grain.

You will also be asked to authorize the treasury to bear the cost from August 1, 1955 of storage and interest charges on wheat held by the wheat board over and above its normal carryover levels. As a consequence of this arrangement, returns to producers will not be depressed by carrying costs on abnormal carryover.

A higher level of employment this winter than last seems to be assured and the improvements you made to the Unemployment Insurance Act last year will provide a better coverage for those who are temporarily without work, particularly in the winter season. Various departments and agencies of government have sought to arrange their construction programs to provide more employment during the winter season. It is gratifying to note that many other employers are endeavouring to follow the same policy.

In October my ministers held a conference in Ottawa with the premiers and other ministers of all the provinces to consider financial and other relations between the federal and provincial governments. Following this useful discussion and some further correspondence, my ministers have placed before all provincial governments a specific proposal for federal-provincial fiscal arrangements to commence next year.

The conference established a committee of ministers from all governments to consider health insurance programs and the work of this committee is now under way.

My ministers have also conferred with provincial ministers to consider and develop an arrangement for sharing the costs of assistance to unemployed persons not eligible for unemployment insurance benefits, and in need. Detailed agreements have been submitted to the provinces. You will be asked to approve the legislation necessary to implement this program.

You will be asked to provide for the construction, jointly with the government of Ontario, of a gas pipe line across northern Ontario from the Manitoba boundary to Kapuskasing, to be leased to Trans-Canada Pipe Lines Limited, which is to build connecting lines in western and eastern Canada. My ministers consider this government participation is necessary to make this important national project possible at this time.

You will also have laid before you amendments to the Trans-Canada Highway Act to accelerate the completion of essential links in the trans-Canada highway and to continue, in co-operation with provincial governments, the work of constructing that highway up to the agreed standards.

Amendments to the National Housing Act will be laid before you. The rapid growth of our centres of population has been a spectacular feature of our national development since the last war, and in that growth wide use has been made of the National Housing Act by our citizens, particularly in suburban areas. One amendment now to be proposed is designed to increase assistance to encourage redevelopment of older sections of our cities to their best use.

Early last year the home improvement section of the act was proclaimed. It has contributed greatly toward the betterment of many existing houses. An amendment will be laid before you to increase the amounts of loans available for this purpose.

A joint committee of both houses will be proposed to review the progress and programs of the federal district commission in developing the national capital.

In the field of industrial development you will be asked to extend the scope of the Industrial Development Bank. You will also be asked to increase the size of loans which may be made by the Canadian farm loan board and to amend the Farm Improvement Loans Act.

My ministers also plan to introduce a bill to provide that women receive equal pay with men for equal work in industries which are under federal jurisdiction.

You will be asked to revise the Royal Canadian Mounted Police Act and the Dominion Succession Duty Act. You will be requested to consider amendments to the Canadian Wheat Board Act, the Supreme Court Act, the Excise Act, the Canada Shipping Act, the Small Loans Act, the Navigable Waters Protection Act, the Prairie Farm Rehabilitation Act, the Prairie Farm Assistance Act, the Canadian Citizenship Act and the Indian Act.

Members of the House of Commons:

You will be asked to make provision for all essential services.

Honourable Members of the Senate:

Members of the House of Commons:

May divine Providence bless your deliberations.

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

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Wednesday next.

Motion agreed to.

THE LATE HON. ALCIDE COTE

(Translation):

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am deeply moved at this time as I rise to pay tribute, at the very beginning of this session, to the memory of the late Alcide Cote, who died at his St. Jean home on August 7 last. Every hon. member must have been as shocked as I was on learning of the death of a colleague esteemed by all, at an age which still held the promise of many more years of fruitful labour in the public service. While we were not unaware of the seriousness of his illness, we had thought that his return to this house, on June 8 last, after a few months' rest, justified the assumption that before too long he would be able to resume all his duties. The

spontaneous applause, from all parts of the house, which greeted his return here on that occasion, told more eloquently than I am able to say today of the affection and high esteem we all had for him.

The late Alcide Cote could proudly claim direct descent from one of the first Canadian settlers. After completing his studies at the College of St. Jean and the University of Montreal, he practised law in the city of St. Jean, of which he was mayor from 1945 to 1949. For several years he took an active part in the initiatives of the bar association of his province, of the union of municipalities, of the chamber of commerce and of numerous other associations.

Mr. Cote had first been elected to the House of Commons in 1945. His constituents had renewed his mandate in the general elections of 1949 and 1953. In 1952, he had been sworn as a member of the privy council and appointed postmaster general.

Mr. Cote's participation in public affairs, in the field of his profession and in municipal and federal politics is abundant evidence of the interest he had dedicated to the welfare of his fellow citizens. The passing of our colleague has caused deep regret among the members of this house as well as in all the other spheres in which he had carried out his beneficent activities. And it is, I believe, the spontaneousness and sincerity of such regrets which constitute the most touching tribute that could be paid to his memory.

(Text):

Since we last met, Mr. Speaker, death has removed from our midst an esteemed and helpful colleague, Hon. Alcide Cote, at a time in his life when it might have been expected that he could look forward to many more years of useful activity.

I am sure I speak for all members of the house in saying that Mr. Cote will be remembered in this assembly for his gentlemanly nature and his deep consideration for his fellow men, which made him one of the most popular members of the house. Those endearing qualities were combined with a deep sense of responsibility as a citizen. Throughout his career in the professional, municipal and federal fields, he worked hard and conscientiously for the welfare of the people who had put their trust in him, and gave of himself unstintingly in the service of the nation as a whole.

Another trait of his personality which I am sure all hon. members would have me recall

was his great modesty and his deep humility. It was typical of his natural modesty that when a new postmaster general was to be appointed, in 1952, he was perhaps the most surprised of all members of the house that he should be called upon to fill that position.

I know, Mr. Speaker, that all members would wish to join with me in expressing at this time our sympathy to Mr. Cote's sisters and brothers and the other members of the family in their bereavement.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I know that every hon. member of this house will join in the words of sympathy that have been expressed by the Prime Minister. We extend our sympathy to the members of the government with which Mr. Cote was associated and to all of his colleagues, because there had been that close association day by day which had brought him very much in contact with them.

I should like to emphasize, however, that Hon. Alcide Cote was a warm friend of every member of this house. I think it can be said without any question that there was not a single member of this house who had not responded to his genial and cordial approach to the problems that came up in discussion here. Naturally in a democratic chamber there was not always complete agreement about the manner in which things should be done, but it was always characteristic of him that the discussions which took place were carried on in the kindly and generous manner to which the Prime Minister has referred.

I perhaps have good reason to know something of what it means to be welcomed back by the members of this house, and I recall the time last year when we were all happy to welcome the Hon. Alcide Cote back into this house, thinking he was returning to his duties. It made it doubly tragic when we heard a short time afterward that he had suffered a heart attack and later was taken away very suddenly.

I simply wish to join fully, on behalf of myself and my associates, in the words of sympathy expressed by the Prime Minister and to extend to the members of his family the sincere sympathy that I know is felt by every hon. member of this house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am quite sure the sentiments expressed by the Prime Minister and the Leader of the Opposition are indeed shared by all members of this house. Mr. Cote was a very charming personality, a very good friend and one who should have been able to look forward to a long career in this parliament and country. As has already been said, it is tragic to know that he was cut off in the prime of life and has been lost to the country, the government, his party and the province where he lived.

My closest association with him was at the United Nations in the autumn of 1953, when in the absence of the Secretary of State for External Affairs he acted as chairman of the delegation. I am quite sure that those of us who were associated with him throughout the number of weeks we were in New York will recollect the fine personality that chaired our meetings, the genial comrade who in the evenings, when the day was over, sat around and proved himself to be a very fine companion.

We all join in the sympathy that has already been expressed to the members of his family, to his brothers and sisters. I wish also to extend to the government and to the members of the Liberal party our sympathy in the loss of one of their devoted colleagues. I am sure all members of the house feel that we have lost from among us one whom we regarded as a fine personality and a good friend.

Mr. E. G. Hansell (Macleod): Mr. Speaker, we in this corner of the house wish to join those who have preceded me in expressing our respects to one of our departed members.

Every so often it becomes a rather trying duty for members of this house to rise and pay tribute to one of our colleagues who has departed this life. Our duties here and our lives and our associations in this house are, generally speaking, very pleasant. Sometimes our pleasant associations are marred by the departure through death of members whom we honour and respect as fellow workers for a better country and a greater nation. It is perhaps a double tragedy when we realize that one is taken from us at such an early age.

There is not much one can say apart from paying our respects and our tributes to a colleague well respected and well loved. Members of this group pay their respects to the memory of Mr. Cote and wish to extend their deepest sympathy to his near relatives and friends.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Hon. James J. McCann, Minister of National Revenue, the Hon. Stuart S. Garson, Minister of Justice, the Hon. Hugues Lapointe, Minister of Veterans Affairs, and the Hon. W. E. Harris, Minister of Finance, to

act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of the one hundred and forty-third chapter of the Revised Statutes of Canada, 1952, intituled: An act respecting the House of Commons.

STANDING COMMITTEES

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

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

Motion agreed to.

HOUSE OF COMMONS

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

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

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

Motion agreed to.

House of Commons

LIBRARY OF PARLIAMENT

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

PIPE LINES

TRANS-CANADA PIPE LINES—REQUEST FOR TABLING OF AGREEMENTS

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, before the Prime Minister moves the adjournment I wish to direct a question to him through you. In view of the inclusion in the speech from the throne of a reference to the trans-Canada pipe line, I wonder whether the Prime Minister could make arrangements for the tabling tomorrow of the draft agreement between the government of Canada and the government of the province of Ontario as well as the draft agreement between the proposed crown company and Trans-Canada Pipe Lines Limited.

Right Hon. L. S. St. Laurent (Prime Minister): I will endeavour to ascertain if those documents can be tabled tomorrow.

On motion of Mr. St. Laurent the house adjourned at 4.25 p.m.

HOUSE OF COMMONS

Wednesday, January 11, 1956

The house met at 2.30 p.m.

DOMINION-PROVINCIAL RELATIONS

FISCAL ARRANGEMENTS AND UNEMPLOYMENT ASSISTANCE—TABLING OF LETTERS AND DRAFT AGREEMENTS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to lay on the table of the house copies of a letter in French and in English which I addressed to the premiers of all the provinces on January 6 last concerning fiscal arrangements.

At the same time I should like to table copies of a letter which I addressed to the premiers of the provinces on December 5 and 6 last, with copies of a draft federal-provincial agreement on unemployment assistance.

I also wish to table two copies in French and in English of the revised proceedings of the federal-provincial meetings of April 26 and October 3 last.

Perhaps hon. members would wish for the sake of convenience to have these letters printed as an appendix to today's *Hansard*, together, I suppose, with the enclosed draft of the federal-provincial agreement on unemployment assistance. If that should be the desire of the house, perhaps Your Honour might so instruct the officials.

Mr. Drew: I should think that would be very desirable.

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

Some hon. Members: Agreed.

(*For text of documents see appendix, pages 23 to 30.*)

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—TABLING OF DOCUMENTS

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, at the last sitting of the house the Leader of the Opposition asked the Prime Minister to table certain documents referring to Trans-Canada Pipe Lines Limited. I now table two copies of these documents.

GRAIN

WHEAT—AVAILABILITY OF FREIGHT CARS—INQUIRY AS TO INCREASE IN DELIVERY QUOTAS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. What is being done by his department and the car controller in order to make freight cars available for the transportation of wheat to fill the unfilled storage space at the head of the lakes and also on the Pacific coast? Would the minister also say what are the possibilities of an early increase in the amount that may be delivered to country elevators by farmers?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the transport controller is of course an officer of the Department of Transport. However, the department and the wheat board have been exerting pressure on the railroads and on the transport controller to speed up the movement of wheat from the prairies. My hon. friend will realize that the weather on the prairies for the last three or four weeks has been extremely unfavourable for railroading. The weather is improving and I may say that car loadings are improving. We hope that the improvement will continue. As far as added quotas are concerned, these are being increased from day to day and week to week as the situation warrants. A new list is published each week showing additional quotas for various points on the prairies.

INQUIRY AS TO PAYMENT ON 1954 CROP

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. In view of the important announcement made yesterday that the government will pay the carrying charges on part of the wheat carryover, can the minister now say whether a payment on the 1954 wheat crop will be made at once to provide hard-pressed farmers with some cash immediately?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My hon. friend will realize that the bill he has referred to has considerable bearing on the ability of the government to decide on the amount of an interim or

final payment. As soon as parliament has disposed of that legislation, we will be able to give careful consideration to the subject matter of his question.

CEREAL GRAINS—AGRICULTURAL PRICES SUPPORT ACT

On the orders of the day:

Mr. W. M. Johnson (Kindersley): I should like to direct a question to the Minister of Agriculture. In view of the low price received for grains has consideration been given to putting all cereal grains under the Agricultural Prices Support Act?

Right Hon. J. G. Gardiner (Minister of Agriculture): I am afraid I will have to refer that question to the Minister of Trade and Commerce.

Mr. Johnson (Kindersley): I direct the question to the Minister of Trade and Commerce.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understand that the Agricultural Prices Support Act does not include wheat and coarse grains.

CRIMINAL LAW

INQUIRY AS TO REPORT OF ROYAL COMMISSION RESPECTING CRIMINAL SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Justice. In view of the recent tragic murder in London, Ontario, would the minister indicate to the house what progress the royal commission on the criminal law relating to criminal sexual psychopaths has made and when their report will be tabled?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in reply to my hon. friend's question I may say that somewhat more than a month ago I discussed with Chief Justice McRuer the prospects of an early report and he told me that until a considerable mass of scientific data which they wish to assemble shall have been prepared they will not be able to make a report. I do not expect we will get one for some months yet.

PUBLIC BUILDINGS

RESUMPTION OF WORK ON WINNIPEG POST OFFICE AND DEER LODGE HOSPITAL

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of Public Works. When will work be resumed on the post office in Winnipeg and the addition to the Deer Lodge veterans' hospital in St. James?

Hon. Robert H. Winters (Minister of Public Works): I suppose one could answer by saying it is a matter of degree. The work was never discontinued. There was some slow-down because of the extreme weather, material shortages and certain other factors, but the work is progressing in accordance with the government's policy of winter employment.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Have arrangements been made for unemployed persons who have been denied benefits under the new act to be put on benefit if they could have qualified under the terms of the old Unemployment Insurance Act?

Hon. Milton F. Gregg (Minister of Labour): The question asked by my hon. friend has been asked me privately by several other hon. members since yesterday, and I should like to make just a brief comment on it at the moment. The unemployment insurance commission found that the date upon which they could get their staffs at regional and local offices aware of the terms of the new act was approximately some time in October. Consequently the provisions under the new act came into effect on October 2. Since that time the commission has been following the course of its operations very carefully and I am glad to report to the house that, in the main, the great revisions of last year have gone into effect very well indeed. As a result of the 12 or 13 weeks' operations the commission found that there was need for some adjustments so that the actual application of the act could more closely conform with the intentions of parliament. It has been possible to achieve some of these by regulations made under the act. On others—and these include those referred to by my hon. friend about which he is concerned, as am I—the commission would like to have a little longer time to complete their preliminary survey and to assess the longer term effects of any further adjustments they might recommend to the government. They are also, of course, studying the legal implications involved. The commission feels that a useful part of their survey would be for them to get at first hand from hon. members an outline of any difficulties that are being

experienced among their constituents. With this in view, I shall be happy to arrange for any hon. member, including my hon. friend who asked this question, to discuss this whole matter with the members of the commission and myself because it is not quite as simple as it appears to be on the surface.

Mr. Knowles: May I ask a supplementary question? If the commission finds it impossible to deal with this matter by regulation and if the problem still continues, will the government introduce at this session any necessary amendments to the act?

Mr. Gregg: I should like to be satisfied—as I hope to be shortly—as to the answer to the first part of my hon. friend's question before I answer the second part.

TRADE

GATT CONFERENCE—INSTRUCTIONS TO CANADIAN DELEGATION

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce if he will acquaint the house with the instructions under which the Canadian delegation will be operating at the forthcoming conference with respect to the extension or modification of the general agreement on tariffs and trade?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The delegation will be instructed to represent Canada to the best of their ability. It is not expected that the area of the tariff negotiations will be particularly wide. The negotiators we send are experienced men and they will report, as they appear, any opportunities to improve the Canadian position.

Mr. Fleming: May I ask the minister further whether there are any specific instructions as to seeking a widening or any particular form of modification of the existing agreement or is it merely a matter of a general extension?

Mr. Howe (Port Arthur): No. This is a discussion of individual items. Whether we may widen the area of negotiation I cannot say. Frankly, we think that the results are not likely to be startling.

POST OFFICE DEPARTMENT

REQUEST FOR EQUALIZATION OF SASKATOON-SUTHERLAND AREA RATES

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to address to the Postmaster General a question of which I sent him notice. In view of the recent amalgamation of the town of Sutherland with the city of Saskatoon, has consideration been given to equating postal rates within the whole area so constituted? If so, what has been the result of such consideration?

Hon. Hugues Lapointe (Postmaster General): This matter is under active consideration at the present time. I would hope to be able to advise my hon. friend on the matter in the near future.

NATIONAL DEFENCE

D.E.W. LINE—AVAILABILITY OF CANADIAN PERSONNEL

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Has the attention of the Minister of National Defence been called to press reports that United States personnel will man the distant early warning line in the Canadian Arctic because of the lack of suitable Canadian personnel, and would he care to comment upon that press report?

Hon. R. O. Campney (Minister of National Defence): I thank the hon. member for giving me notice of his question. I may say that the question of manning the D.E.W. line, which, of course, is not yet completed, is under consideration. As it is at present the subject of discussions I think it would be premature for me to comment. As soon as it is possible to make a statement with respect to the matter one will be made.

EXTERNAL AFFAIRS

INQUIRY AS TO SHIPMENT OF AIRCRAFT TO EGYPT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to address a question to the Secretary of State for External Affairs. Have any aircraft been shipped from Canada to Egypt recently or are there any orders on hand for the export of such aircraft?

Hon. L. B. Pearson (Secretary of State for External Affairs): In order to give a final answer to this question I would have to make inquiries of the Department of Trade and Commerce as well as my own department. However, I believe I can say at once that I know of no shipments of Canadian aircraft to Egypt or of any orders for such shipments.

Inquiries of the Ministry

BUTTER

SALE TO EAST GERMANY—INQUIRY AS TO TERMS OF CONTRACT

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Would the Minister of Trade and Commerce give the house the terms of the contract for the sale of 7 million pounds of storage butter which is alleged to be destined to East Germany?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am sure my colleague the Minister of Agriculture will be glad to do that.

Mr. Dufresne: Then I ask the same question of the Minister of Agriculture.

Right Hon. J. G. Gardiner (Minister of Agriculture): I do not believe I can agree with the figures that were used with regard to the sale, Mr. Speaker, but with regard to any sales of butter that have been made recently, some of them to Czechoslovakia and others to Eastern Germany, those to Czechoslovakia were at 39 cents a pound and those to Eastern Germany at 37 cents a pound. The butter was sold, of course, for delivery through a certain agency.

Mr. Dufresne: May I ask a supplementary question? Are the freight and handling charges paid by the government or the purchaser?

Mr. Gardiner: The price is as of Montreal.

[*Later:*]

Mr. Dufresne: I wish to ask a question supplementary to the question I asked of the Minister of Agriculture a few minutes ago. I would like to know the terms of these sales. Were they cash sales? What were the terms really between Canada and the other party?

Mr. Gardiner: Cash against documents at Montreal on the price level that I stated.

DEFENCE PRODUCTION

CF-105—INQUIRY AS TO DATE OF PRODUCTION

On the orders of the day:

Mr. John B. Hamilton (York West): Can the Minister of Defence Production give the house any estimate as to the date when production of the CF-105 will commence at the A. V. Roe plant at Malton? Can he report on what progress has been made in that connection?

Right Hon. C. D. Howe (Minister of Defence Production): Steady progress is being made, Mr. Speaker, on the pre-production models of the CF-105. My hon. friend will understand that the production line does not start until several planes have been made, tested and adjusted, so when he speaks of the date of production it is difficult to set a date. The work is proceeding steadily with some success, I believe.

STORMS

MARITIME PROVINCES—DISLOCATION OF TRANSPORTATION—ARRANGEMENTS FOR TRANSPORTING MAIL

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I direct a question to the Postmaster General, notice of which I have not sent him. In view of the dislocation of transportation in Nova Scotia, particularly, can the minister tell us what arrangements, if any, are being made by the Post Office Department for the transportation of mail throughout the province?

Hon. Hugues Lapointe (Postmaster General): We are endeavouring to remedy the situation as quickly as possible. Of course when the means of transportation are interrupted they are interrupted for the Postmaster General as for the rest of the people. We are trying to take all the emergency means available to meet the situation.

Mr. Nowlan: Are you using trucks now?

Mr. Lapointe: Yes.

INQUIRY AS TO RESTORATION OF TELEGRAPHIC COMMUNICATIONS

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of Transport. Has the minister any report to make on the progress made in re-establishing telegraphic communications in the maritime provinces after the damage caused by the recent weather conditions there?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I must answer that I am unable to give any reply to my hon. friend this afternoon.

(*Translation*):

CANADIAN NATIONAL RAILWAYS

QUEEN ELIZABETH HOTEL—REQUEST THAT NAME BE CHANGED TO CHATEAU MAISONNEUVE

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could the minister tell the house if his department is still considering the possibility of changing

to "Chateau Maisonneuve" the name of the new Canadian National Railways hotel in Montreal?

Mr. Dupuis: Mr. Duplessis does not want to.

Mr. Dufresne: Whenever he does want to, he will not seek permission from the hon. member for St. Mary.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I must inform my hon. friend that this matter lies within the purview of the Canadian National Railways authorities and not of the Department of Transport.

Mr. Dufresne: Has the Minister of Transport already recommended to the board of transport commissioners that this change be made or does he intend to do so?

(Text):

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MRS. ANN SHIPLEY AND SECONDED BY MR. OVIDE LAFLAMME

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

Mrs. Ann Shipley (Timiskaming): Mr. Speaker, when the right hon. Prime Minister (Mr. St. Laurent) asked me by telephone if I would move the address in reply to the speech from the throne, I of course immediately accepted the honour, but with some humility. However, I soon became proud indeed, because I realized that the honour was not for me primarily but for the people of my riding, Timiskaming, whom I have the honour to represent; and furthermore, I believe that the right hon. Prime Minister and the members of his cabinet were not unmindful of the fact that in their selection they would be honouring all the women of Canada, be they in public or in private life.

It is not very long ago that women did not have the vote, and not so long ago that they were not considered persons for the purpose of qualifying for most public offices.

Throughout my experience as a trustee of a public school board, as the head of a municipality, a member of council and as a member of this House of Commons, I have found no indication whatever that we are simply tolerated; on the contrary, I have been welcomed and immediately accepted as any other member.

I stand in this house today, Mr. Speaker, as the first woman in Canadian history to move the address in reply to the speech from the throne. I am deeply conscious of the significance it holds for the women of Canada. On their behalf and on behalf of the people of Timiskaming, I thank the right hon. Prime Minister and the members of his cabinet.

I was pleased to note in the speech from the throne that a bill will be introduced to provide that women will receive pay equal to that paid to men for equal work in industries which are under federal jurisdiction. This was indicated by the Minister of Labour (Mr. Gregg) last session. This legislation will not affect women who are employed in industries which are not under federal jurisdiction. I mention this because there appears to be great misunderstanding on this point. All other women employees come under the jurisdiction of the provincial governments.

Speaking on this subject on previous occasions I pointed out how difficult it is to evaluate what is equal work, and I shall be most interested to examine the methods of administration which will be proposed in the forthcoming bill. What I would like to see is some method of giving women equal opportunities for advancement, but I know of no way of putting that into legislation in order to ensure the desired results. I notice that there is a vacancy on the civil service commission and I urge strongly that this vacancy be filled by the appointment of a woman. Not only do I feel that this is necessary; I urge that this should be done if we are to attain our objective of equal opportunities for all.

I congratulate and welcome the new members to this house. The seconder of the address in reply to the speech from the throne, the hon. member for Bellechasse (Mr. Laflamme), will be telling you something of the accomplishments of those who come from his province, the province of Quebec. The hon. member for Bellechasse was outstanding as a student and won many honours. After graduating as a lawyer he took a most active interest in the work of the junior chamber of commerce and the affairs of his community and country and consequently was elected to this house at a very early age. In fact, I believe he is just two months short of being the youngest member in the house.

I am going to be brief in what I say as I am sure you are all anxious to hear le nouveau député de Bellechasse who speaks the mother tongue of a large percentage of my electors. Unfortunately and obviously that is not one of mine. He takes his seat on the right side, le côté droit, le côté sans lequel le cœur ne pourrait fonctionner.

Mr. Speaker, I wish also to congratulate you, as chairman of the committee on rules and procedure, upon the improvement in our

rules. When I first came to this house I could not understand why so much valuable time should be taken up by member after member speaking for the full 40 minutes, in effect saying what had been said by many other members who had spoken for the full 40 minutes and who had the same convictions. However, I soon learned that the privilege of speaking often and at length is valued most highly by some hon. members and that any effort to shorten debate would undoubtedly meet with strenuous opposition.

You, sir, have accomplished what appeared to be the impossible in a truly statesmanlike manner. I need not have been surprised at this because hon. members who have been in this house for a long time have told me of your tact, sense of fairness, and above all complete understanding and knowledge of the rules, which has made you one of the best Speakers, if not the very best Speaker, that this house has ever known.

I was pleased to note the remarks with respect to the North Atlantic Treaty Organization in the speech from the throne. Last summer I had the privilege of joining a group of senators and members of parliament who journeyed to Paris to meet similar groups from other NATO countries. Invitations had been issued to the speakers of the assemblies of all NATO countries, but there was some doubt as to whether they would all attend. However, on our arrival we found that there was a representative group from every country. The representatives of two countries, the United States and Great Britain, about which there had been some doubt in the beginning, were outstanding in their enthusiasm.

Hon. Wishart Robertson, who headed our group, was made temporary chairman until it was determined what form the new organization should take. Subsequently Canada was honoured by the appointment of Hon. Wishart Robertson as chairman of the continuing organization.

Prior to the Canadian delegation meeting, there was some criticism in the press; in fact, I think in one or two cases they went so far as to call us busybodies. I was not disturbed about being called a busybody as I joined the group two years previously because, although I appreciated the importance of NATO in keeping peace in the world, I felt that as a member of this parliament I should know a great deal more about it.

Our meetings were held in the Palais de Chaillot, which is the headquarters of NATO. Every convenience was placed at our disposal. At the first meeting, we were made welcome by Lord Ismay, the secretary general of the North Atlantic Treaty Organization. He, of course, stressed the importance of NATO and deplored the lack of knowledge on the part of the general public of the work being done by the NATO organization. Lord Ismay told of the various methods that had been adopted to bring knowledge and a greater understanding to the public, and went on to say that he was particularly pleased that we had come to NATO headquarters as he felt that perhaps we could do a better job of disseminating knowledge of NATO to the people of our countries than could be done by the other methods that had already been tried. I cannot, of course, speak for the others who attended, but I have spoken of little else since my return. I have made many speeches to both large and small audiences and over our local radio station. We have created a definite interest in the community, because I have many bookings to speak to other groups, as soon as I can find the time.

We in this house can imagine the frustrating delays that took place in the early months of NATO, particularly, when all decisions had to be unanimous. It would have been surprising indeed if there had not been delays and difficulties, for there was no precedent for such an organization in time of peace. Yet NATO has become the framework for the common defence of over 400 million people on both sides of the Atlantic. I for one agree with Lord Ismay that, if comparable arrangements had existed in 1914 or 1939, the history of the twentieth century might well have taken another course and the world been spared the carnage and waste of two world wars.

I could not in the time at my disposal today attempt to speak of all we learned at this conference. We were briefed by the top men of the various departments and divisions. We were taken to SHAPE and received by General Gruenther, the supreme commander, who spoke to us at some length and then introduced the heads of the various divisions of the armed forces. Here again the story was the same: the great work that was being done, the need of greater support, and again the lack of knowledge and understanding on the part of the very people who were being protected by our NATO forces.

We met every day and all day for the week we were in Paris and, before the conference adjourned, we formed a continuing organization. As the primary reason for our existence is to further the aims and objectives of the North Atlantic treaty, it was felt that, excepting for enough members to ensure continuity, the same members of parliament should not attend the meeting each year, so that greater numbers would be taking an active interest in this vital organization.

It is perhaps a little difficult for Canadians to realize that there is active opposition to NATO within NATO countries, especially abroad. True, the numbers involved are not very great, but it is a very vocal minority. In fact, Lord Ismay stated in his report that a survey shows that 80 per cent of the people in the United States, United Kingdom and France had no idea what the word "NATO" stood for.

In particular, the NATO countries abroad are being bombarded with destructive propaganda and, if they are told again and again that NATO is indeed an offensive organization of nations and we do very little to tell them that it is solely to prevent aggression, we have no one but ourselves to blame that these minorities exist.

The officials of France, from the President down, welcomed us with open arms. We could not begin to accept all the hospitality offered, in the time at our disposal.

As the Minister of National Defence felt that our knowledge of the functions of NATO would be incomplete unless we visited our forces in Europe, the Canadian delegation left France and flew to Germany and visited our army bases there as well as all the air bases in both France and Germany. Before this tour was finished, I was beginning to feel that it was an endurance test because of the number of places we visited and the thousands of people to whom we talked in so short a period of time.

At every base we were shown the living quarters, the recreational and educational facilities, the working facilities and how well the men had been trained. We were given an opportunity to talk, unaccompanied by brass of any kind, to the men and women of all ranks. The only complaint I heard on the whole tour was from several of our men and their wives that they were sorry they could not stay longer.

I was deeply interested in the new permanent married quarters. The highest ranking officers live in quarters identical with those of the newest recruits. They have the same furniture and the same furnishings. The area allotted to each of the men is determined solely by the number of children, and it seems to be working perfectly. Incidentally, whoever was responsible for the selection of the furnishings should be highly complimented. Furnishings, of necessity, must be functional and durable. Nevertheless, the simplicity of design and natural finishes have created homes of undoubted charm. In spite of the fact that the only differences in the apartments are in the colours of walls, rugs and curtains, each has its own individuality.

The schools we visited had just recently been completed and are as fine as or finer than any of our newest schools. However, there is one very important difference: the cost of construction is much less than for a similar building here, because of the difference in the whole economy.

Either we went to visit the municipal authorities in the adjoining towns or they were invited to meet us at the base; and no matter where we went we were met with glowing praise of Canada and Canadians. We had met the same thing in Paris, and previously I had met the same reactions when I visited the United Nations. But I think it is most significant that in Germany this feeling was the same. It must be remembered that our men and women went to Germany as members of the NATO forces and, perhaps partly for this reason, the German people accepted them and became extremely friendly with them, even before there was any question of Germany herself joining the alliance. I asked several burgomasters why they felt so friendly to Canadians. They said we had so much in Canada in the way of land and forests and we were capable of building the best fighting plane in use in Europe today; but, in spite of this, we are not boastful.

They spoke in glowing terms of the wives of the servicemen, and this pleased me very much. It appears that the wives who first went over to join their husbands had to live on the economy of the country because there were no permanent married quarters ready for them. As land is so valuable and scarce in both France and Germany, our bases were situated, in so far as was stategically practicable, in the poorest farming areas. As a consequence, in many cases, the built-up areas nearest to the bases were small villages where there was no modern housing available. They rented quarters in buildings that had no running water. The burgomasters told me they knew the type of streamlined kitchens and other amenities that these wives were used to in Canada, but they did not complain. On the contrary, they and their husbands worked together to make this temporary home as convenient as they could.

I spoke to some of the officers in the various stations about the unusual public relations that seemed to exist wherever we went. They told me that, of course, that was their objective but they were extremely proud of the help they had had from their men and very proud of the job done by the wives.

I spent an evening with one young wife from my own community, and she told me how much she and her husband had learned from this posting abroad with the air force.

She had known that our Prime Minister and the Secretary of State for External Affairs and others were highly regarded in the international field and that Canada was rapidly becoming one of the key nations, but what she did not know was that this warmth and trust were ready and waiting to be extended to Canadians as individuals.

She said she had come abroad proud to be a Canadian, but she is going to come back twice as proud and, in addition, with an understanding of other people in other countries that she never had before. She said she used to feel sorry for people who did not enjoy all the amenities of life as we know them in Canada; but now she knows that a streamlined kitchen is not everything; that the people with whom she came in contact over there, if given a choice between physical comforts and the financial wherewithal to maintain their beautiful parks, monuments and historic buildings, would not hesitate to choose the latter. She said something more that I think a great many older people, who should be wiser, have not yet learned, that in helping others we should help them to help themselves in their own way, because what we feel is an essential in our life might be the last thing they would want.

One frequently reads in our newspapers criticism of Canadians. They state that we are not proud enough, that we are inclined to be a little too critical of our own country, and so on. I wonder whether this is so. It seems to me, Mr. Speaker, that this very national characteristic is perhaps one of our greatest assets. The Canadian abroad is not a pushing or demanding person, though I do not mean he can be pushed around. We are quiet but we are also firm. In fact I think I can sum it up best by saying that I am very proud that we act like ladies and gentlemen.

To get back to NATO, my opinion is perhaps not worth very much on such an important and complex question. Nevertheless I am the mother of children who would be in the thick of any war that might involve Canada. I am convinced that not only must we make every effort to keep NATO strong, but we must become more active in sponsoring an intimate friendship and understanding between NATO countries and their peoples. This must be done or in my opinion there is grave danger of those who would like to see us quarrelling with each other and mistrusting each other having some success. NATO is too vital to our well-being and to peace in this world to allow us to sit idly by and just hope for the best. We not only must do these things but if more financial support and more men and materials are deemed necessary we should not hesitate to provide them.

I was deeply impressed with one paragraph in the statement made by the Secretary of State for External Affairs (Mr. Pearson) following the most recent NATO meeting, to the effect that the meeting emphasized that we cannot relax either in defence or in diplomacy in the face of new Soviet tactics. He said that this was agreed by all, and that if the Soviet union can be made to realize the determination of the fifteen NATO members to work closely together to resist aggression and infiltration, the world will be spared a lot of unnecessary trouble.

At the time of the Geneva conference I was very worried because so many people seemed to think that the peace proposals would immediately make these defence measures unnecessary. It is my firm conviction, Mr. Speaker, that so long as there is a single country of any size whose people are not free to come and go at will, to read what they wish, and across whose borders we may not go freely and unaccompanied, then we are not safe from aggression.

Being a definite supporter of the short and, if possible, pertinent speech, I do not intend to take advantage of the honour accorded me today and speak at great length. However, I must avail myself of tradition and say something about my constituency, Timiskaming, that part of the great province of Ontario that starts approximately 100 miles north of North Bay, runs to within 250 miles of James bay and east and west 100 miles. We have a population of over 50,000 people. Mining, lumbering and farming are our major fields of employment. Lumbering carries with it all the seasonal unemployment problems.

The lower belt of the riding spreading east and west from Cobalt is chiefly rock, more or less mineralized. The upper belt spreading from Kirkland Lake is the same. In the centre spreading from New Liskeard we have the small clay belt. This soil, although it is limited in area, produces fine crops, particularly root vegetables of outstanding flavour and excellence.

The mines have created untold wealth for the nation, employment for thousands, a ready market for the produce of the local farmer, and modern municipalities have also been created. With the present price of gold and the inevitable depletion of ore reserves, these municipalities are now facing serious problems. The development of the north country has all taken place in the short period of the past 50 years. In 1904 the first claims were staked at Larder Lake. The second

staking was in 1906, and was part of the claims now known as Kerr-Addison Gold Mines Limited. About this time the railroad being built by the province of Ontario as a farming development railway reached Cobalt, where almost pure silver was blasted from the rock cuts for the rail line. This fabulous find attracted prospectors from all over the continent. From Cobalt the prospectors spread north. Travel was still very difficult, chiefly by canoe and portage, but by 1909 the Porcupine camp was discovered and the Kirkland Lake camp was discovered in 1911.

In Timiskaming it has been our misfortune that no great base metal mines have yet been brought into production. To the east, about 25 miles away in northern Quebec, there are the great copper mines of Noranda and others, and to the west there are the fabulous nickel mines at Sudbury. We do produce cobalt which was invaluable to the Canadian and United States governments during the war but for which we now have to find or develop a commercial market. We produce a little copper, silver and certain other metals that are by-products, but our chief production is gold.

To have a gold mine used to be the equivalent of sitting on top of the world, but today with controls and a set price it is not the unalloyed joy of old. Without the help given under the Emergency Gold Mining Assistance Act many of our gold mines would be forced to close, thereby creating mass unemployment. If such should happen, properties in most gold mining communities would be valueless. The millions invested in schools and public utilities would be worthless, as in most cases we have relatively no secondary industry. We have tried and are still trying to attract industry, but it is very difficult to persuade them to locate in other than the congestion of big centres. Regardless of the price of gold or the assistance given, mining is a depleting industry. Therefore it is inevitable that a day will arrive when there is no more ore. Now is the time when action should be taken.

Perhaps it will be necessary to offer special inducements to industry, such as special freight rates or reduced hydro rates or both. This is obviously beyond the capabilities of the municipalaties concerned, and in any event is a provincial or, if necessary, even a national matter. In the case of northern Ontario it should not be too difficult, as the province not only owns the hydro but the railroad as well.

We have modern towns with excellent schools, many churches, good roads, air and rail transportation and recreational facilities available to us that others spend hundreds of dollars to come and enjoy. The trans-Canada highway goes right through the centre of Timiskaming and thanks to this government, with some help from the province, so will the trans-Canada pipe line. We have some available housing and enjoy moderate rentals, but above all we have the finest, friendliest people in the world. In the north you are not judged on who your parents were, their success or the lack of it, or on where you came from or what language you happen to speak at the moment. You are judged simply on what you are. If you want to work and become a leading citizen you have exactly the same chance as the next fellow.

Much has been written of the great fortunes that have been made from gold mines but very little of the heartbreaks and losses. Of all the claims staked, but a very small fraction of 1 per cent ever become profitable undertakings. As the Kerr-Addison gold mine is in my riding and was one of the very first group of claims staked in northern Ontario, I am going to give a very brief outline of its history. In 1906, when the claims were first staked, we must bear in mind that there were no roads, no railway and no electricity; but by 1907 or 1908 a shaft had been sunk, a steam-operated mill built and some gold produced. I do not even know the names of those involved nor the name under which the mine operated at that time, but I do know that the gold produced was part of the gold used in minting the first gold coins in Canada.

The company failed to find enough gold to carry on, closed the mine and lost their entire investment. No one seems to know how many times the claims changed hands, how much money and time were spent in exploration or how many heartbreaks ensued. During the period of 1919 to 1922, another group gathered together enough money to sink a second shaft. They went down 300 feet and had to quit. Ironically the bottom of the shaft stopped immediately over one of the best ore bodies in operation today. Eventually a new company was formed, shafts were sunk, a modern mill was built and today Kerr-Addison Gold Mines Limited processes by far the greatest tonnage of ore and is the second largest producer of gold in the western hemisphere.

This sounds like a success story and indeed it is, if we forget all about those who fell by the wayside. Prior to the Kerr-Addison success, hundreds of thousands of dollars were spent on this prospect. Prospector after prospector, and others willing to risk their savings, put everything they had into trying to develop a profitable mine but all was lost.

Fortunately experiences such as this do not stop prospectors. They are a special breed of Canadian. I have often tried to describe them without success. Westerners are very proud of their forebears, the pioneers. We of the mining areas of Canada are no less proud of our pioneers, the prospectors.

What makes a prospector may be difficult to define, but what the prospectors have done for Canada is a much different matter. By their very doggedness, or maybe their dreams of finding the pot of gold, they have opened the door to two of Canada's greatest assets, namely our mines and our oil fields. In 1955 Canada's mineral production soared to the record-breaking figure of $1,700 million. This unprecedented expansion is a tremendous help in balancing our international trade and provides employment for thousands of persons, not only in the actual production of minerals but in the factories all over Canada that manufacture the necessary equipment and supplies.

Just a few years ago you would have been laughed at if you had predicted that Canada's production of metals would reach the figure of $1,700 million in one year, but today it is generally accepted that this is only the beginning of the development of our mineral resources. In proof of this contention I would point out that in 1955 the groundwork was laid to bring more and more mines into production.

As Canadians we are pleased and proud of this great development, but how many of us give a thought to how it came about? The Department of Mines and Technical Surveys provides an excellent service that is most helpful, but it still takes the old-fashioned slugging, prospecting and diamond drilling, to find the mines. Of all the completely new mines brought into profitable production during the past ten years, almost 50 per cent are attributed to ordinary prospecting. You can trace the development of most of the mines in Canada right back to the men and women of the Cobalt, the Porcupine and the Kirkland-Larder camps. You will find them in there, if you care to look, either as the prospectors, the management or those providing the initial risk capital. Sometimes they are all three.

I think, Mr. Speaker, that those of us who were left behind in these areas and are carrying on under somewhat difficult circumstances, may be forgiven for expecting co-operation in facing our problems and for being so proud of what our pioneers have done for Canada.

It is not only the mining output that has gone ahead by leaps and bounds during the last year. The economic review shows the gross national product to be up by 10 per cent, that our export trade has increased, and that our unemployment has receded. In almost every field there are improvements; better still, all indications in economic activity for 1956 point upward.

In conclusion, Mr. Speaker, seconded by the hon. member for Bellechasse (Mr. Laflamme), I have the honour to move:

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

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

May it please Your Excellency:

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

(*Translation*):

Mr. Ovide Laflamme (Bellechasse): Mr. Speaker, I fully realize that, in inviting me to second the motion for an address in reply to the speech from the throne, the right hon. the Prime Minister (Mr. St. Laurent) wished to show his consideration for the constituency I have the honour of representing in this house. On behalf of all my electors and in my own name, I thank him most sincerely.

It might have been better for me and for you if, before risking my first words, I had had the opportunity of familiarizing myself with the atmosphere of the house. However, I did not wish to miss the opportunity that had been offered me of publicly expressing my deep appreciation to my electors who thought that I could represent them worthily in the parliament of my country.

I recognize however, Mr. Speaker, that this confidence of my electors is an unequivocal tribute to the man who, for us and for the people throughout the country, is the undisputed leader of the Canadian nation, the right hon. the Prime Minister.

I do not want to delay any longer, Mr. Speaker, before offering you my humble tribute; I make myself the spokesman of all members of the house in congratulating you most sincerely on the admirable way in which you have unfailingly exercised your delicate duties. Even outside the house, I had already heard of your tact, fairness, firmness and wisdom.

May I heartily congratulate the new members who, like myself, sit in this house for the

first time: the hon. members for Temiscouata (Mr. St. Laurent), Quebec South (Mr. Power) and St. Jean-Iberville-Napierville (Mr. Menard). I am convinced that the house will benefit by their presence here and that their electors will only have cause to be proud of having sent them here. On your behalf, I wish them all possible success in a new career that will undoubtedly be fruitful to their constituency and their country.

As for the other new members, I will leave to people who know them better than I do the care and particularly the pleasure of congratulating them. Words of congratulation will be better felt and expressed by those who share their opinions. However, I have no doubt that, like all of us, they are anxious to promote the greatness of our country and the welfare of all Canadians.

Allow me, Mr. Speaker, to extend to our new Postmaster General (Mr. Lapointe) our most sincere congratulations for that new obvious mark of confidence he has received. A tireless worker, a living example of dignity and of devotion to duty, the hon. member for Lotbiniere does great honour to his constituency and to his fellow citizens of his province and of his country.

My presence here reminds you of my predecessor who, since 1940, has represented my constituency, His Excellency the Canadian ambassador to Argentina, Mr. Philippe Picard. He has been serving his country for almost 30 years now and the new post to which he has been called testifies to his great qualifications, to his vast experience in international affairs and to his devotion to his fellow citizens.

I wish, in the name of all members, to pay homage to one who is no longer among us, one who was loved and respected by the house and by everyone, the late Hon. Alcide Cote. Well liked in his constituency, esteemed by all those who had the advantage of knowing him, he had risen very rapidly in public life. His memory will long live in our minds. To his relatives and to his numerous friends I extend our deepest sympathies.

Mr. Speaker, you will no doubt allow me to turn for a moment to my constituency and to satisfy to some extent my desire to say a few words about it.

Located on the south shore of the St. Lawrence, between Levis and Montmagny, and extending southward to the American frontier, my constituency of Bellechasse is one of the oldest counties in the province of Quebec. Settled mostly in the 18th century, Bellechasse has always remained essentially agricultural; it is made up today of 21 parishes with some a little more populated than others.

Parish life has always been most intense in these parts, a fact which undoubtedly speaks for the devotion my fellow citizens have for their origin, their language and their faith.

To increase its population and retain its many native sons, my constituency needs industry. But its geographic position and proximity to Quebec city make this difficult. Still, it is with pleasure that I note that some industries, thanks to the courage and tenacity of those who have set them up, have undergone remarkable expansion. May I mention among others the Industries Provinciales Limitée, of St. Damien, my native community, the A. Garant et Fils Limitée of St. François and the Filature Saint-Charles Limitée, of St. Charles. The development of these firms is a tribute to their directors and it is fitting that I should point this out.

Each year, however, many of Bellechasse's native sons have to look elsewhere for jobs. That is a problem which could be solved, at least in part, by the development of small scale industry. These young people leave our constituency for larger centres where, especially in winter, they merely swell the ranks of the unemployed. I feel that government assistance to small industries would go a long way towards solving the difficult problem of unemployment as well as the housing shortage.

It is with pleasure in this connection that I point out that the present government, through the industrial development bank, has already helped the expansion of small scale industries by making provision for loans.

According to the annual report for the 1955 fiscal year, the bank, between November 1, 1944 and September 30, 1955 had authorized 1,468 loans, amounting to $123,724,603.

I would nevertheless like to suggest that a lowering of the interest rate and an easing of the conditions of the loans would possibly promote greater progress in the small industries field.

I have noted with pleasure in the speech from the throne the fact that the government does wish to broaden the scope of the work of this important agency. To my mind, this will promote greater development in this field.

As regards unemployment, the present government has already adopted highly beneficial measures. I am happy to point out that the

amendments made last year by this government to the Unemployment Insurance Act were intended to make it easier for more of the unemployed to receive higher benefits. It is gratifying to point out that the number of unemployed has decreased remarkably all across the country at this time as compared with the corresponding period of the years 1953 and 1954. According to the report issued by the dominion bureau of statistics up to December 20, 1955, the comparison between the weeks ending November 19 for both years 1954 and 1955 shows an increase of 143,000 workers in employment. In all sectors of employment, there has been a decrease of seasonal unemployment.

In my opinion, this thorny problem of unemployment in particular cannot be solved satisfactorily solely by means of legislation and the intervention of the state. Its solution requires the combined efforts of all levels of government, of all municipalities, social bodies and businessmen.

It is very gratifying to observe that all across the country many employers, cities, municipalities, labour unions and social groups such as chambers of commerce, as well as newspapers, are hard at work, and co-operate in efforts to keep employment at a reasonable level throughout winter. For its part, the government has set an example through its departments by keeping a backlog of important wintertime works that can be carried out during that period. Permit me, Mr. Speaker, to congratulate all of these groups who are eager to co-operate in the solution of this serious problem and who realize that the government, by direct intervention in this field, could only bring about an incomplete and temporary solution which could possibly have disastrous consequences for the economic situation of the country.

At the last federal-provincial talks on ways and means to alleviate or remedy the unemployment situation, the federal government laid before the provinces a sharing plan to which three provinces have already given their agreement, namely Newfoundland, British Columbia and Prince Edward Island.

Under that scheme, when the number of unemployed in any given province, whether employable or not, exceeds .45 per cent of the population of the province concerned, the government is prepared to share the average cost of relief granted by that province to the unemployed.

The present government has contributed and is still contributing to relieve the unemployment situation through the housing act, which promotes the building of new homes in this country. In 1955, that act, which deals with these two great social problems, unemployment and housing, has made it possible to build in this country more than 125,000 new homes. It is unfortunate that the severity of our climate is slowing down this boom in construction.

Last year, the present government amended this act in order to guarantee loans with regard to accommodation already built. This year, we find in the speech from the throne that parliament will be called upon to vote new amendments enabling and facilitating the building of new low-priced homes while tending, more particularly, to eliminate slum areas and to raise the amounts loaned for the improvement of existing accommodation.

To my mind, the expansion of new home building cannot fail to increase again to a considerable degree this year, because the population as a whole is realizing more and more all the benefits the government is allowing them on this point and also because the growing number of new housing units sprouting up everywhere lessens their apprehensions with regard to the risk involved in a loan which may seem too high for the building of a home.

Aware of its responsibilities and acting with a wise and clear perception, this government thus enables Canadians at all economic levels to realize their dream of becoming home owners while supplying at the same time a great deal of employment.

Canada has just experienced the most prosperous year of its history. Immediately after the last war, some calamity howlers who were opposing the government deemed it their duty to propagate apprehension with regard to the future. This was ten years ago. Now, we have passed through this period of transition from war to peace, which is so difficult. After a whole decade, may we not say now that Canada's constant progress seems assured to the present and future generations.

The opposition has often criticized the means chosen by the government to warrant the advancement of this country. I am perfectly aware that, if an economic recession were to take place, the opposition would blame the government all the more, because they are able to recognize the economic progress of Canada.

The past ten years have shown that the government was efficient in its action. Events are proving it was right.

I regret to say that, during the last year, the farmer has reaped less benefit from this expansion than any other part of our economy. The problem of farm surpluses remains to be solved. Everybody realizes how manifold it is. The farming population of my county is thankful to the government, to which it has given its support since 1921—because they believe in liberalism—for maintaining the price of butter. The dairy industry is the basis of the rural economy in my district, and if the government were to abandon this support before the market for this product has become more stable, it would, I think, endanger the economy of all the farmers from my county and our province.

Still to be solved is also the question of other just as important products, to which I wish to draw the attention of the right hon. Minister of Agriculture (Mr. Gardiner). If a diversified agricultural production such as this were better organized it might help to remedy the situation. When agricultural production will enjoy a stable market at home it will mark the opening of an era of unprecedented progress.

After overcoming the numerous difficulties that followed the war, Canada is now on the road of progress and continues to co-operate closely in the solution of international problems. Within the framework of the Colombo plan, she has contributed, since 1950, to increase the living standards of the peoples of south and southeast Asia. Without peace in the world, to what avail would be all our projects? Since the last Geneva conference, it seems that the Russians have shifted the conflict. In my opinion, their diplomatic offensive in Asia can only encourage free nations to give greater help to the underfed populations of that continent, to the full measure of our resources.

I am glad to hear that parliament will be asked to increase its contribution to the Colombo plan in order to accelerate the execution of many big projects, such as the erection of a dam at Warsak in northwestern Pakistan to be used for irrigation as well as for the production of electrical power so necessary to industrialization, the construction of a research atomic reactor offered to India and the implementation of other projects of lesser magnitude but at the same time important for some countries that did not receive much help from us. The rise of nationalism in Asia means the awakening of the masses. Those nations will no doubt seek to improve their living conditions. They will always have sympathy for those who will be the first to help them.

In a spirit of solidarity and charity, Canada must show to those nations that she contributes to their economic emancipation in order to ensure the triumph and expansion of our civilization. It would seem that throughout the world the unity of the free countries and their joint efforts to ensure peace in the world through a show of force capable of discouraging any would-be aggressor have achieved the desired results. Canada, with the understanding and support of her people, has borne her share of responsibilities towards this defence community.

This unity of strength of the free peoples will no doubt bring about a change in the tactics of the communist countries. It appears evident even now that Russia is attempting, by a diplomatic offensive, to render this force inoperative. It therefore appears all important for the free world to spread knowledge of the advantages of our democratic institutions, chief among which, to my mind, is the freedom of our people to choose the form of government they desire.

(*Text*):

Before I resume my seat, I do not wish to omit mentioning publicly the great success achieved by the Canadian delegation at the last meeting of the United Nations general assembly. The acceptance of sixteen new member nations, which was one of the main features of this meeting, has undoubtedly strenghtened the position of this world assembly, widening its influence in its purpose to maintain peace through better understanding between nations, and all this is the result of the work of our delegation.

May I, Mr. Speaker, on behalf of the hon. members of this house, offer my very warm congratulations to the Minister of National Health and Welfare (Mr. Martin) for the efficiency he has shown as head of our delegation.

In the eyes of the world, I would say that the result shows that our nation earnestly desires peace and understanding between all nations and has no selfish ambitions.

(*Translation*):

I should like in closing to express heartfelt congratulations to the hon. member for Timiskaming (Mrs. Shipley) for the fine account she has given in moving the address to His Excellency the Governor General.

Her condensed outline of the economy and of the projects for the future of Canada is proof of her high qualifications, which are an honour to the constituency she represents with such dignity in the house, and indicative of her wide experience in public affairs.

Her speech is a brilliant testimony to the glory and talents of all Canadian womenfolk,

which the government has always so fittingly recognized.

Mr. Speaker, I eagerly second the motion of the hon. member for Timiskaming.

(Text):

On motion of Mr. Drew the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue this debate tomorrow and Friday.

GRAIN

CASH ADVANCES ON FARM STORAGE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. M. J. Coldwell (Rosetown-Biggar): Before the house adjourns I would like to move a motion for the adjournment of the house to consider a matter of urgent public importance. I am one of those who—

Mr. Speaker: May I interrupt the hon. member at this point, because he says he wishes to move the adjournment of the house for a certain purpose. A motion to adjourn the debate has already been passed. Is the hon. member going to indicate that his motion to adjourn the house for a definite purpose is in order at this stage?

Mr. Coldwell: I do, yes. May I read it? I ask leave, seconded by the hon. member for Assiniboia (Mr. Argue), to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the need for immediate action to provide cash advances on farm-stored grain to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces. I make this motion because I believe that this is the right time to move it.

Mr. Speaker: Would the hon. member be good enough to comment further on his contention that this is the right place to move this motion?

Mr. Coldwell: Under standing order 26 a member is entitled to move the adjournment of the debate for the consideration of an urgent matter of public importance. The time to move that is after starred questions on Wednesday. There were no starred questions on the order paper today, and there being no starred questions on the order paper they could not be called. Hence if they could not be called that should not preclude a member from rising in his place and making an appropriate motion at the appropriate time. I submit that the fact that there were no starred questions does not take away from an hon. member the right to move a motion such as I have already moved.

Mr. Speaker: The reason the words "after starred questions on Wednesday" were added to this standing order was that the house wanted to make sure that starred questions would be disposed of on that particular day. It should be understood that a motion of this kind, being one of urgency, must be made at the very first opportunity. This motion is such as to stop discussion on any other matter. Therefore I think it should have been moved after routine business had been concluded, even on a day like today when there are no starred questions.

It is quite evident why there are no starred questions today. Under another standing order 48 hours' notice must be given, and the house met only yesterday. We passed a motion yesterday afternoon to the effect that today we would take as the first order of business the debate on the address in reply to the speech from the throne. We have now reached the stage where an ordinary adjournment motion could be made, a motion such as a motion to adjourn the house. Such a motion is non-debatable.

The hon. member for Rosetown-Biggar (Mr. Coldwell), thinking that standing order 26 was the one on which he could depend at this juncture, has moved this particular motion. If the hon. member and I do not agree on what I have said so far I think he will agree with me as to this further point. Whenever the speech from the throne is the first order of business no other motion to discuss a matter of urgent public importance should be entertained.

The urgency of debate is something that has to be considered. The acting leader of the house has indicated by his announcement of the order that tomorrow the matter referred to in this motion could be discussed. In my experience it has never happened in the house that while the speech from the throne was being currently debated a motion for the purpose of discussing a definite matter of urgent public importance under the new standing order 26 was agreed to.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would you permit a comment on this point? First of all, may I suggest that one should be aware of the fact

that under standing order 38 the debate on the address in reply to the speech from the throne, on any day when it takes place, is placed ahead of all other matters, including starred questions. Therefore I feel that if my leader had attempted earlier today to move the adjournment of the house he could have been told quite properly that he would have to wait until all starred questions—this being Wednesday—had been disposed of, and that he would not get a chance at starred questions until after the house had finished what debate it wished to have on the address in reply to the speech from the throne.

I can say that my leader certainly gave consideration to attempting to move this motion earlier, but he felt that he would be out of order and therefore he preferred to wait until the time provided for in the rules.

As to the point as to whether or not a motion of this kind should be allowed when the debate on the address or the budget is going on, I suggest that both of those debates are general debates. There are occasions when hon. members who have taken part in those debates are interested also in the urgency of matters such as this, and there really is no reason why the fact that these other debates are taking place should preclude their taking part in a discussion which they feel is on a matter of urgent public importance.

I can recall that frequently Your Honour and your predecessors have suggested when an attempt like this has been made that consideration had to be given to the urgency of the debate. In other words you had to consider whether the question was of sufficient urgency to set aside what had been planned already for the house at that particular time. At this particular time the plan seems to be for the house to adjourn and the members to go home. By presenting this motion we are not proposing the setting aside of any other important matter. We propose this instead of going home. I feel that on all counts, the way in which the rules are set up, on the score of importance and on the score that it does not interfere with the discussion of anything else, this motion should be allowed for discussion for such time as the house wishes to give to it between now and six o'clock.

Mr. Speaker: I must tell the hon. gentleman that when he says that in the past my predecessors, at least two of them, or I, decided that there was no urgency of debate on the basis that we should not put aside the matters which had been specified to be debated on a particular day, he has, I agree, a point. It was in that light that very often decisions were made, namely that the motion would not be allowed, and that the business which had been appointed for that day should not be put aside, it being more urgent to debate other matters than the one proposed in the motion to adjourn the house.

I am not going to try to split hairs. It has been indicated by the hon. member and his leader that they have specific reasons for bringing forward this motion at this moment. Were I to agree that the motion has been moved at the right moment, and that it cannot be refused on the ground that matters appointed for today are more urgent, and this obviously because the said matters have already been disposed of and we are now, as he says, preparing to go home; if I were to state it as my opinion that this was a matter of urgent public importance we would have the situation that between four and six o'clock we would be debating this matter, namely the need for immediate action to provide cash advances on farm-stored grain, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces.

For two hours we would be debating this specific subject which, in my view, as it has just been mentioned in the speech from the throne, will certainly be commented upon, discussed and debated at great length by many speakers during the debate on the speech from the throne. What will be my position when I try to administer other rules which tell me that there should not be any repetition of arguments, notwithstanding how much latitude is given in a debate like the speech from the throne debate?

I think the hon. member, for the sake of orderly discussion from now on, should not press the motion at this time, as I feel it is very important that we have an orderly and sufficiently wide discussion in the speech from the throne debate, and as I feel difficulty would be caused to other hon. members generally in discussing the speech from the throne without knowing exactly what to do about the specified matter being brought up today, one which cannot be debated to the satisfaction of all within the two hours that we have at our disposal.

Does the hon. member for Rosetown-Biggar (Mr. Coldwell) wish to add something?

Mr. Coldwell: Mr. Speaker, I have listened very carefully to what you said latterly. Far be it from me to put into your mind as Speaker of the house the possibility of preventing a wider discussion of this matter in the debate on the speech from the throne. I did not bring the matter forward with that in view. I brought it forward because I had promised my constituents who are wheat growers that I would raise it at the first opportunity, and this is the first opportunity I have had of raising it. But if the allowance of this debate today would preclude the possibility of discussion of this matter by many members of the house who will not be able to discuss it in the next two hours, I would be the last one in the world to endeavour to interfere or risk interfering with their right to discuss this very important matter. Without prejudice, therefore, I will take your advice.

Mr. Speaker: Therefore I will not receive the motion.

On motion of Mr. St. Laurent the house adjourned at 4.05 p.m.

APPENDIX

LETTERS AND DRAFT AGREEMENTS RESPECTING FISCAL ARRANGEMENTS AND UNEMPLOYMENT ASSISTANCE

Similar letters sent to the premiers of all provinces. The letter to the premier of Quebec was in the French language.

OFFICE OF THE PRIME MINISTER
CANADA

OTTAWA, January 6, 1956.

My dear Premier:

At the opening session of our October conference, I put forward certain general ideas which the federal government believed would form a reasonable basis for a revised approach to the question of federal-provincial fiscal arrangements. These ideas were further elaborated in our sessions in camera, with some statistical illustrations of how they might operate.

We discussed these suggestions at some length at the conference and the general consensus seemed to be that they were worth careful study. We did not expect, nor did we ask the provincial governments to commit themselves on these principles at the conference, but at the closing session, I invited them to send in further comments or observations after they had had time for further consideration.

Since the conference I have received formal communications from four provincial governments and there have been informal exchanges of views with other provinces, both between ministers and officials; all of these have been carefully considered.

The federal government is now prepared to make a definite proposal and to recommend to parliament that appropriate legislation be passed along the following lines:

1. The federal government would make unconditional tax equalization payments to the provinces. In brief, these annual equalization payments would bring the combined per capita yield of certain standard taxes applied to the personal income tax field, the corporate tax field and the succession duty field up to the level of the average per capita yield of these taxes in the two provinces which have the highest per capita combined yields in these three fields. These equalization payments would be paid during each fiscal year commencing April 1, 1957, and would be calculated on the basis of the tax and population figures for the preceding taxation year.

2. During the currency of these arrangements, the federal government would also pay to each provincial government each year any amount required to bring the total yield of these standard taxes, plus the equalization payment, up to the highest of:

(a) the tax rental paid or available to the provincial government in respect of the year ending March 31, 1957, increased by an amount proportionate to any increase in population of the province, from June 1, 1956 to June 1 of the taxation year in respect of which the equalization payment is made; or

(b) in the fiscal year 1958-59, 90 per cent of the standard tax yield plus equalization and stabilization payments, if any, in 1957-58, and in subsequent years, 90 per cent of the average standard tax yield plus equalization and stabilization payments, if any, in the two preceding years.

3. Where a provincial government undertakes not to impose or permit its municipalities to impose taxes in the personal income tax field, or the corporation tax field or the succession duty field, the federal government would pay to such provincial government each year an amount equal to the yield of the standard tax in that field in that province.

4. Where a provincial government prefers to impose and collect its own taxes in any of these three fields at whatever rates it chooses, the federal government would abate the rate of federal tax in that field in that province by the standard rate.

5. Where a provincial government chooses to impose and collect corporation taxes, other than a general tax on profits, the federal

government in determining the taxable income of a corporation would not allow as an expense provincial corporation taxes on that corporation up to 9 per cent of its taxable income or up to the general rate of corporate income tax levied by the provincial government, whichever is the greater. Where the total provincial corporation taxes paid by a corporation exceed such level, such excess would be allowed as an expense to the corporation. The cost to the federal treasury of allowing such excess as a corporate expense would be deducted from any payments due to the provincial government arising out of these proposals.

6. The standard rates proposed are:

(a) On personal incomes, 10 per cent of the federal tax under the Income Tax Act (i.e. excluding the old age security tax);

(b) On corporations, 9 per cent of the taxable income deemed to be earned in the province;

(c) On successions, 50 per cent of the federal duty. (In calculating equalization payments, it is proposed to average the yield of succession duties over a period of three years.)

7. In calculating equalization payments, stabilization payments or rental payments under numbered paragraphs 1, 2 and 3, the standard rates of personal income tax and succession duty would be adjusted upward or downward each year, if necessary, in order to offset any future changes in either the rates of tax or personal exemptions resulting from future amendments to the Income Tax Act or the Succession Duty Act.

We propose that these arrangements be for a period of five years commencing April 1, 1957.

These proposals provide revenues to the provinces somewhat greater than those available under the present tax-rental system; they provide for revenues increasing with the growth and expansion of our country; and they guarantee a measure of stability in this sector of provincial revenues more effectively than do the present arrangements.

They also make it possible for any provincial government so desiring to secure these revenues in these tax fields without the necessity of imposing and collecting its own taxes.

It would, I think, be useful to have our committee of officials meet as early in February as possible to clarify the technical details of these proposals.

I would be glad to hear from you in due course.

Yours sincerely,

LOUIS S. ST. LAURENT.

(Similar letter sent to all provinces)

OFFICE OF THE PRIME MINISTER

OTTAWA,
DECEMBER 5, 1955.

The Honourable Leslie M. Frost,
Premier of Ontario,
Toronto, Ontario.

My dear Premier:

My colleagues and I have been considering changes in the draft unemployment assistance agreement proposed by a number of provinces in earlier correspondence and in discussions held with federal officials during the week of October 3rd. We have now approved a revised draft agreement, two copies of which I am enclosing with this letter.

In revising the draft agreement, we have sought to meet all the points raised by provincial representatives in so far as they would help to assure to all provinces, with their wide variety of institutions and procedures for providing relief, an equal measure of federal participation.

In all cases where changes have been made it will be noted that the revised text offers somewhat more favourable terms to the provinces than was the case in the original draft of last August. No change is contemplated in the formula designed to meet the special situation in Nova Scotia as set forth in my letter to you of August 26th.

The attached agreement was drafted in such a manner that it may be given effect from July 1st, 1955, or whatever later date may be preferred by each provincial government. In the event your government decides to enter into an agreement on the basis of this revised draft, would you please arrange to have both the attached copies signed or initialled by your appropriate minister and returned to the Minister of National Health and Welfare for completion on behalf of the federal government and one of the copies will then be returned to you for your records. Before sending the signed or initialled copies to Mr. Martin, paragraph 17 should, of course, be completed to indicate whether you wish the agreement to come into force on July 1st, 1955, or at some later date, and also whether the agreement with your province is to run for a term certain of five years or some lesser period.

Following completion of the agreement, the appropriate officers of the federal government will work out with the officials of whatever department you may designate the detailed administrative procedures for the submission

of monthly reimbursement claims, beginning with the month in which the agreement takes effect. Federal authority to make the actual reimbursement payments will, of course, have to await the passage of legislation at the next session of parliament beginning January 10th, 1956.

Yours sincerely,
LOUIS S. ST. LAURENT.

Draft agreement as submitted on December 5, 1955 to all provinces except Nova Scotia:

Memorandum of Agreement Respecting Unemployment Assistance made this day of 19 .
Between:

The Government of Canada, hereinafter called "Canada",
Of the First Part

and

The Government of the Province of , hereinafter called ,
Of the Second Part

Whereas Canada and are desirous of entering into an agreement for the purpose of providing assistance to unemployed persons who are in need, and for the sharing of the costs thereof;

Now, therefore, this agreement witnesseth that in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto hereby covenant and agree each with the other as follows:

1. In this agreement, unless the contrary intention appears,

(a) "province" means the province of

(b) "municipality" means a municipal corporation in the province and includes any city, town or local governmental body established under the authority of the law of the province and authorized to administer assistance to unemployed persons who are in need;

(c) "a recipient of mother's allowance" includes

(i) a dependent child of a person receiving a mother's allowance if such child is within the age group for whom provision is made under the law of the province that provides for the payment of mothers' allowances; and

(ii) the husband of a person receiving a mother's allowance if an allowance is being paid on his behalf under the law of the province that provides for the payment of mothers' allowances.

(d) "population" means, except in subparagraph (a) of paragraph 13, the most recent estimate of the population of the province made by the Dominion Bureau of Statistics and published by the Queen's Printer at Ottawa prior to the month to which the reimbursement claim relates;

(e) "homes for special care" means nursing homes, hostels for indigent transients, homes for the aged, poor houses, alms houses and hostel facilities provided for the aged within housing projects constructed under the provisions of the National Housing Act; and

(f) words in the singular include the plural and words in the plural include the singular.

2. At the first session of Parliament following the execution of this Agreement, Canada shall introduce and recommend the enactment of such legislation as may be required to enable Canada to give effect to this Agreement, and at the first session of the Legislature of the province following the execution of this Agreement shall introduce and recommend the enactment of such legislation as may be required to enable to give effect to this Agreement.

3. shall make all the necessary arrangements for

(a) the receipt, by itself or by municipalities, of applications for assistance from unemployed persons in the province, and

(b) the verification of the representations made by applicants

and the province shall assume responsibility for the correctness of such representations.

4. shall make available to officials of Canada particulars of

(a) the conditions prescribed by or by municipalities under which assistance may be given to persons in need, and

(b) the rates of assistance payable.

5. Length of residence shall not be made a condition for the receipt of assistance if

(a) the applicant has come from a province whose government has entered into an agreement similar to this respecting unemployment assistance, and

(b) such agreement includes a like clause as herein contained in respect of length of residence not being a condition for receipt of assistance.

6. shall deliver to the Minister of National Health and Welfare, at Ottawa, a monthly statement, hereinafter referred to as a reimbursement claim, in such form as Canada may require, indicating, *inter alia*,

(a) the total number of persons who are unemployed and in need in the province, including their dependents, who have received

assistance during the month to which the reimbursement claim relates, and

(b) the total amounts paid to or on behalf of such persons during the month to which the reimbursement claim relates.

7. shall keep a record of the names and addresses of any persons and of the number of their dependents who have received assistance and the particulars of such assistance, which record shall be made available for examination on request by officials of Canada.

8. There shall be excluded from the reimbursement claim any person, together with any payment made to or on behalf of such person, who is

(a) an inmate in any institution maintained in whole or in part out of funds appropriated by

(i) the Parliament of Canada,
(ii) the Legislature of the province,
(iii) a municipality, or
(iv) a charitable organization;

except that there may be included in the reimbursement claim payments made by the province or by a municipality for the upkeep of inmates in homes for special care and the number of persons in respect of whom such payments are made, provided that said inmates are unemployed and in need and the payments claimed do not exceed what an individual might reasonably be expected to pay for accommodation of a comparable kind and quality in the same locality and provided further that said inmates are not such as would normally be cared for in general, acute, chronic or convalescent hospitals, tuberculosis sanatoria, mental institutions, institutions for incurables, orphanages or child welfare institutions;

(b) a person in receipt of

(i) unemployment benefit under the Unemployment Insurance Act,
(ii) a pension under the Old Age Security Act,
(iii) assistance under the Old Age Assistance Act,
(iv) an allowance under the Blind Persons Act,
(v) an allowance under the Disabled Persons Act, or
(vi) a supplemental allowance or cost-of-living bonus provided under the law of the province to recipients of benefit under any of the aforementioned acts; or

(c) a recipient of mothers' allowance.

9. Notwithstanding sub-paragraph (b) of paragraph 8 there may be included in the reimbursement claim any additional relief payments made by the province or by a municipality to persons described in the said sub-paragraph and the number of persons to whom such payments are made if such persons are unemployed and in need.

10. There shall also be excluded from the reimbursement claim payments made in respect of

(a) medical, hospital, nursing, dental and optical care and drugs and dressings,

(b) funeral expenses,

(c) all travelling expenses except those, if Canada is not contributing thereto under some other arrangement, that are made for the purpose of

(i) returning a recipient of unemployment assistance and his dependents, if any, to his normal place of residence under an arrangement to which the municipality or the government of the province to which he is being returned has agreed in advance,
(ii) enabling a recipient of unemployment assistance or dependent member of his family to obtain assured employment as certified by the National Employment Service, or
(iii) enabling a recipient of unemployment assistance or a dependent member of his family to obtain needed medical, hospital or nursing home care which cannot be provided at his normal place of residence; and

(d) the cost of administration.

11. There shall be deducted from the reimbursement claim

(a) an amount calculated by multiplying the average per person monthly cost of assistance by ·45 per cent of the population, and

(b) an amount calculated by multiplying the average per person monthly cost of assistance by the decrease in the number of recipients of mothers' allowances.

12. The average per person monthly cost of assistance shall be calculated by dividing the total of the payments made during the month, as set forth in the reimbursement claim, by the total number of persons, including dependents, who received assistance during the said month as set forth in the reimbursement claim.

13. For the purpose of sub-paragraph (b) of paragraph 11, the decrease in the number of recipients of mothers' allowances shall be calculated as follows:

(a) the average monthly percentage of the population of the province who were recipients of mothers' allowances during each

twelve-month period from the first day of July 1945, to the thirtieth day of June prior to the month to which the reimbursement claim relates shall be determined, and in determining these percentages the latest estimate made by the Dominion Bureau of Statistics and published by the Queen's Printer at Ottawa of the population of the province on the first day of June or nearest date thereto in each twelve-month period shall be used;

(b) the average monthly percentage determined for the twelve-month period ending the thirtieth day of June immediately preceding the month to which the reimbursement claim relates shall be subtracted from the highest percentage ascertained pursuant to sub-paragraph (a) of this paragraph in respect of any other twelve-month period;

(c) from the difference ascertained pursuant to sub-paragraph (b) of this paragraph there shall be subtracted ·10 per cent;

(d) the difference ascertained pursuant to sub-paragraph (c) of this paragraph shall be multiplied by the population; and

(e) in the event that the calculation in sub-paragraph (c) of this paragraph results in a negative quantity, sub-paragraph (b) of paragraph 11 shall have no application.

14. The reimbursement claim shall

(a) be submitted within six (6) months next following the last day of the month to which it relates, but no claim submitted by in respect of any month prior to the actual date on which this agreement is executed shall be disqualified solely on the ground that it was not submitted within the said six (6) months, and

(b) contain the following certificate signed by the provincial auditor:

"I hereby certify that this claim for reimbursement has been prepared in accordance with the terms and conditions set forth in an agreement respecting unemployment assistance dated the day of 195 , and made between the Government of Canada and the Government of the province of ".

15. Canada shall, on receipt of a reimbursement claim that has been prepared in accordance with this agreement, pay fifty (50) per cent of the total claim.

16. In the event of any controversy arising between Canada and in respect of this agreement, either party may submit such controversy to the Exchequer Court of Canada for determination.

17. This agreement shall be deemed to have come into force and shall bind the parties from the day of 195 , to the day of 19 , and thereafter until terminated by either party giving to the other party one year's notice in writing.

18. Any notice given pursuant to paragraph 17 may be communicated as follows:

(a) to Canada, by registered mail addressed to the Minister of National Health and Welfare, at Ottawa; and

(b) to by registered mail addressed to the Premier of the province at

In Witness Whereof the Honourable Paul Martin, Minister of National Health and Welfare, has hereunto set his hand on behalf of the Government of Canada and the Honourable Minister of of has hereunto set his hand on behalf of the Government of the province of

Signed on behalf of the Government of Canada by the Honourable Minister of in the presence of

Signed on behalf of the Government of the province of by the Honourable Minister of in the presence of

Draft agreement as submitted to Nova Scotia on December 5, 1955:
(See Clause 11 (a))

Memorandum of Agreement Respecting Unemployment Assistance made this day of 19 .

Between:

The Government of Canada, hereinafter called "Canada",

Of the First Part

and

The Government of the Province of , hereinafter called ,

Of the Second Part

Whereas Canada and are desirous of entering into an agreement for the purpose of providing assistance to unemployed persons who are in need, and for the sharing of the costs thereof;

Now, therefore, this agreement witnesseth that in consideration of the premises and of the mutual covenants and agreements herein contained, the parties hereto hereby covenant and agree each with the other as follows:

1. In this agreement, unless the contrary intention appears,

(a) "province" means the province of

(b) "municipality" means a municipal corporation in the province and includes any city, town or local governmental body established under the authority of the law of the province and authorized to administer assistance to unemployed persons who are in need;

(c) "a recipient of mother's allowance" includes

(i) a dependent child of a person receiving a mother's allowance if such child is within the age group for whom provision is made under the law of the province that provides for the payment of mothers' allowances; and

(ii) the husband of a person receiving a mother's allowance if an allowance is being paid on his behalf under the law of the province that provides for the payment of mothers' allowances.

(d) "population" means, except in subparagraph (a) of paragraph 13, the most recent estimate of the population of the province made by the Dominion Bureau of Statistics and published by the Queen's Printer at Ottawa prior to the month to which the reimbursement claim relates;

(e) "homes for special care" means nursing homes, hostels for indigent transients, homes for the aged, poor houses, alms houses and hostel facilities provided for the aged within housing projects constructed under the provisions of the National Housing Act; and

(f) words in the singular include the plural and words in the plural include the singular.

2. At the first session of Parliament following the execution of this Agreement, Canada shall introduce and recommend the enactment of such legislation as may be required to enable Canada to give effect to this Agreement, and at the first session of the Legislature of the province following the execution of this Agreement shall introduce and recommend the enactment of such legislation as may be required to enable to give effect to this Agreement.

3. shall make all the necessary arrangements for

(a) the receipt, by itself or by municipalities, of applications for assistance from unemployed persons in the province, and

(b) the verification of the representations made by applicants

and the province shall assume responsibility for the correctness of such representations.

4. shall make available to officials of Canada particulars of

(a) the conditions prescribed by or by municipalities under which assistance may be given to persons in need, and

(b) the rates of assistance payable.

5. Length of residence shall not be made a condition for the receipt of assistance if

(a) the applicant has come from a province whose government has entered into an agreement similar to this respecting unemployment assistance, and

(b) such agreement includes a like clause as herein contained in respect of length of residence not being a condition for receipt of assistance.

6. shall deliver to the Minister of National Health and Welfare, at Ottawa, a monthly statement, hereinafter referred to as a reimbursement claim, in such form as Canada may require, indicating, *inter alia*,

(a) the total number of persons who are unemployed and in need in the province, including their dependents, who have received assistance during the month to which the reimbursement claim relates, and

(b) the total amounts paid to or on behalf of such persons during the month to which the reimbursement claim relates.

7. shall keep a record of the names and addresses of any persons and of the number of their dependents who have received assistance and the particulars of such assistance, which record shall be made available for examination on request by officials of Canada.

8. There shall be excluded from the reimbursement claim any person, together with any payment made to or on behalf of such person, who is

(a) an inmate in any institution maintained in whole or in part out of funds appropriated by

(i) The Parliament of Canada,

(ii) the Legislature of the province,

(iii) a municipality, or

(iv) a charitable organization;

except that there may be included in the reimbursement claim payments made by the province or by a municipality for the upkeep of inmates in homes for special care and the number of persons in respect of whom such payments are made, provided that said inmates are unemployed and in need and the payments claimed do not exceed what an individual might reasonably be expected to pay for accommodation of a comparable kind and quality in the same locality and provided further that said inmates are not such as would normally be cared for in general, acute, chronic or convalescent hospitals, tuberculosis sanatoria, mental institutions, institutions for incurables, orphanages or child welfare institutions;

(b) a person in receipt of

(i) unemployment benefit under the Unemployment Insurance Act,

(ii) a pension under the Old Age Security Act,

(iii) assistance under the Old Age Assistance Act,

(iv) an allowance under the Blind Persons Act,

(v) an allowance under the Disabled Persons Act, or

(vi) a supplemental allowance or cost-of-living bonus provided under the law of the province to recipients of benefit under any of the aforementioned acts; or

(c) a recipient of mother's allowance.

9. Notwithstanding sub-paragraph (b) of paragraph 8 there may be included in the reimbursement claim any additional relief payments made by the province or by a municipality to persons described in the said sub-paragraph and the number of persons to whom such payments are made if such persons are unemployed and in need.

10. There shall also be excluded from the reimbursement claim payments made in respect of

(a) medical, hospital, nursing, dental and optical care and drugs and dressings,

(b) funeral expenses,

(c) all travelling expenses except those, if Canada is not contributing thereto under some other arrangement, that are made for the purpose of

(i) returning a recipient of unemployment assistance and his dependents, if any, to his normal place of residence under an arrangement to which the municipality or the government of the province to which he is being returned has agreed in advance,

(ii) enabling a recipient of unemployment assistance or dependent member of his family to obtain assured employment as certified by the National Employment Service, or

(iii) enabling a recipient of unemployment assistance or a dependent member of his family to obtain needed medical, hospital or nursing home care which cannot be provided at his normal place of residence; and

(d) the cost of administration.

11. There shall be deducted from the reimbursement claim

(a) an amount calculated by multiplying the average per person monthly cost of assistance by

(i) ·30 per cent of the population during the first year of this agreement,

(ii) ·35 per cent of the population during the second year of this agreement,

(iii) ·40 per cent of the population during the third year of this agreement, and

(iv) ·45 per cent of the population during the fourth and subsequent years of this agreement,

(b) an amount calculated by multiplying the average per person monthly cost of assistance by the decrease in the number of recipients of mothers' allowances.

12. The average per person monthly cost of assistance shall be calculated by dividing the total of the payments made during the month, as set forth in the reimbursement claim, by the total number of persons, including dependents, who received assistance during the said month as set forth in the reimbursement claim.

13. For the purpose of sub-paragraph (b) of paragraph 11, the decrease in the number of recipients of mothers' allowances shall be calculated as follows:

(a) the average monthly percentage of the population of the province who were recipients of mothers' allowances during each twelve-month period from the first day of July 1945, to the thirtieth day of June prior to the month to which the reimbursement claim relates shall be determined, and in determining these percentages the latest estimate made by the Dominion Bureau of Statistics and published by the Queen's Printer at Ottawa of the population of the province on the first day of June or nearest date thereto in each twelve-month period shall be used;

(b) the average monthly percentage determined for the twelve-month period ending the thirtieth day of June immediately preceding the month to which the reimbursement claim relates shall be subtracted from the highest percentage ascertained pursuant to sub-paragraph (a) of this paragraph in respect of any other twelve-month period;

(c) from the difference ascertained pursuant to sub-paragraph (b) of this paragraph there shall be subtracted ·10 per cent;

(d) the difference ascertained pursuant to sub-paragraph (c) of this paragraph shall be multiplied by the population; and

(e) in the event that the calculation in sub-paragraph (c) of this paragraph results in a negative quantity, sub-paragraph (b) of paragraph 11 shall have no application.

14. The reimbursement claim shall

(a) be submitted within six (6) months next following the last day of the month to which it relates, but no claim submitted by

in respect of any month prior to the actual date on which this agreement is executed shall be disqualified solely on the ground that it was not submitted within the said six (6) months, and

(b) contain the following certificate signed by the provincial auditor:

"I hereby certify that this claim for reimbursement has been prepared in accordance with the terms and conditions set forth in an agreement respecting unemployment assistance dated the day of 195 , and made between the Government of Canada and the Government of the province of ".

15. Canada shall, on receipt of a reimbursement claim that has been prepared in accordance with this agreement, pay fifty (50) per cent of the total claim.

16. In the event of any controversy arising between Canada and in respect of this agreement, either party may submit such controversy to the Exchequer Court of Canada for determination.

17. This agreement shall be deemed to have come into force and shall bind the parties from the day of 19 , and thereafter until terminated by either party giving to the other party one year's notice in writing.

18. Any notice given pursuant to paragraph 17 may be communicated as follows:

(a) to Canada, by registered mail addressed to the Minister of National Health and Welfare at Ottawa; and

(b) to by registered mail addressed to the Premier of the province at

In witness whereof the Honourable Paul Martin, Minister of National Health and Welfare, has hereunto set his hand on behalf of the Government of Canada and the Honourable Minister of has hereunto set his hand on behalf of the Government of the province of

Signed on behalf of the Government of Canada by the Honourable Minister of in the presence of

Signed on behalf of the Government of the province of by the Honourable Minister of in the presence of

HOUSE OF COMMONS

Thursday, January 12, 1956

The house met at 2.30 p.m.

INTEREST ACT

AMENDMENT TO ESTABLISH MAXIMUM RATE

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 2, to amend the Interest Act.

Motion agreed to and bill read the first time.

SMALL LOANS ACT

AMENDMENT TO PROVIDE FOR A REDUCTION IN RATE OF INTEREST

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 3, to amend the Small Loans Act.

Motion agreed to and bill read the first time.

RAILWAY ACT

AMENDMENT TO PROVIDE FOR PRINTING OF BILLS OF LADING IN FRENCH AND ENGLISH

Mr. J. P. Deschatelets (Maisonneuve-Rosemont) moved for leave to introduce Bill No. 4, to amend the Railway Act.

Motion agreed to and bill read the first time.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) 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, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Motion agreed to.

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

Right Hon. C. D. Howe (Minister of Trade and Commerce) 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 for the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

Motion agreed to.

CANADIAN FORCES ACT

AMENDMENTS TO DEFENCE SERVICES PENSION ACT AND TO NATIONAL DEFENCE ACT

Hon. R. O. Campney (Minister of National Defence) 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 Canadian forces to amend the Defence Services Pension Act to provide for uniformity of pension payments to former members of the forces pensioned as warrant officers or equivalent; also to amend the National Defence Act, *inter alia*, with respect to the code of service discipline and with respect to the payment of duties and tolls for the use of certain facilities.

Motion agreed to.

CANADIAN FARM LOAN ACT

AMENDMENTS TO REORGANIZE CAPITAL STRUCTURE, INCREASE AMOUNT OF LOANS, ETC.

Hon. W. E. Harris (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 Canadian Farm Loan Act to provide for a number of administrative changes under the act, *inter alia*, to reorganize the capital structure of the board by cancelling existing share stock and issuing new stock up to a par value of three million dollars; to allow loans to be made up to sixty-five per cent of the value of the lands with a maximum loan of fifteen thousand dollars; that there be only one reserve fund not exceeding an amount equal to the capital stock of the board;

And to provide further for the repayment of the capital advanced by the government to the

Proposed Legislation

board with respect to its operation under the Canadian Fisherman's Loan Act, less the deficit of the board on its operation under the act and the amount of outstanding loans.

Motion agreed to.

PUBLIC SERVICE

PROVISION FOR EQUAL PAY TO FEMALE EMPLOYEES FOR EQUAL WORK

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

That it is expedient to introduce a measure to provide equal pay for female employees as compared with male employees of the same employer, for identical or substantially identical work in federal works, undertakings or businesses; and to provide further under the enforcement procedure for the appointment of referees who may be paid such allowances and expenses as may be approved by the treasury board.

Motion agreed to.

INDIAN ACT

AMENDMENTS TO PROVIDE FOR CHANGES IN ADMINISTRATION, AMOUNT OF LOANS, ETC.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration) 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 Indian Act to provide for a number of changes in connection with the administration of the act; and to provide further that the Minister of Finance may from time to time advance to the Minister of Citizenship and Immigration out of the consolidated revenue fund such sums of money as the minister may require for loans to Indians under section 69 of the act;

The total amount of outstanding advances under the said section not to exceed at any one time one million dollars in lieu of three hundred and fifty thousand dollars as at present.

Motion agreed to.

GRAIN

WHEAT—REQUEST FOR RECONSIDERATION OF DECISION RESPECTING ADVANCES ON FARM STORAGE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Trade and Commerce. In view of the continuing representations made by the western farm organizations, is the government giving reconsideration to the decision it previously made not to grant advances on farm-stored wheat?

[Mr. Harris.]

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government's program for wheat is at present on the order paper. If any further measures are decided upon, they will also appear on the order paper.

Mr. Diefenbaker: So that means there are no advances.

BUTTER

SALES TO COMMUNIST COUNTRIES—REQUEST FOR TABLING OF AGREEMENTS

On the orders of the day:

Mr. E. G. Hansell (Macleod): May I direct a question to the Minister of Agriculture? It is supplementary to the questions asked yesterday in respect of the sale of surplus butter. Would the minister care to lay on the table of the house the full text of the agreement or agreements in respect of the sale of that butter to those designated countries?

Right Hon. J. G. Gardiner (Minister of Agriculture): There is no objection to that being done, Mr. Speaker.

HOUSING

REQUEST FOR SPEED-UP IN GOVERNMENT PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? In view of the serious and tragic loss of life in Canada this winter because of fires, mostly in substandard dwellings, will the minister discuss with his colleagues the possibility of a real speed-up in the government's housing program so these tragedies might not continue to occur?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, we all, of course, have been sorrowfully impressed by the number of casualties that have occurred recently. I do not know whether or not they have occurred in substandard dwellings. I understand that official investigations are being conducted; also that the Central Mortgage and Housing Corporation is implementing the provisions of that act just as expeditiously as possible. It is my understanding that 125,000 new dwelling units were completed last year and that the prospects for the coming year are for completion of an even larger number than that.

VETERANS AFFAIRS

HOSPITAL INSURANCE COVERAGE IN BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Has the Minister of Veterans Affairs received representations from the Canadian Legion concerning arrangements for the provision of hospital insurance coverage in British Columbia for returning defence personnel and their dependents now denied it? If so, is consideration being given by the minister to the representations of the British Columbia command of the Canadian Legion?

Hon. Hugues Lapointe (Minister of Veterans Affairs): The answer to the first part of the question is no. As to the second part, of course if representations are received they will get the consideration and action they always do, as the record shows.

PUBLIC SERVICE

SUGGESTED APPOINTMENT OF WOMAN MEMBER TO THE CIVIL SERVICE COMMISSION

On the orders of the day:

Miss Margaret Aitken (York-Humber): I should like to address a question to the Prime Minister. Is it the government's intention to appoint a woman to the civil service commission?

Right Hon. L. S. St. Laurent (Prime Minister): This matter has been under consideration, Mr. Speaker, and a decision had been reached in that connection but the person we desired to appoint felt she was not desirous of accepting the appointment and the matter is still under consideration because we would like to have a competent woman acting on the civil service commission.

EXTERNAL AFFAIRS

INQUIRY AS TO SHIPMENT OF AIRCRAFT TO EGYPT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Has the Secretary of State for External Affairs anything further to add to the answer he gave to my question yesterday concerning the shipment of Canadian aircraft to Egypt?

Hon. L. B. Pearson (Secretary of State for External Affairs): The matter is still under investigation but I should have thought my hon. friend would have been satisfied with the answer to his own question which he gave to the press after the sitting yesterday.

Mr. Stewart (Winnipeg North): I should like to address a question now to the Prime Minister. Can the right hon. gentleman inform me when the right hand of the government will know what the left hand is doing?

Right Hon. L. S. St. Laurent (Prime Minister): It is not within my knowledge that there is any right or left hand concerned in this matter at this time.

LIVESTOCK

MAINTENANCE OF FLOOR PRICE ON HOGS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Can the Minister of Agriculture assure the house that the present floor price on hogs will be maintained in 1956?

Right Hon. J. G. Gardiner (Minister of Agriculture): The present floor price on hogs was set about two years ago, I think, Mr. Speaker, and when it is discontinued the government will announce the fact.

[*Later:*]

Mr. E. G. McCullough (Moose Mountain): I should like to direct to the Minister of Agriculture a question supplementary to that asked by the hon. member for Humboldt-Melfort. Can the minister state the floor price paid for hogs on the Winnipeg market?

Mr. Gardiner: The floor price for grade A hogs on the Winnipeg market is $20.

Mr. McCullough (Moose Mountain): Then, Mr. Speaker, I should like to ask a further supplementary question. I have here a receipt—

Mr. Speaker: Order.

Mr. McCullough (Moose Mountain): —dated January 3, which indicates that a price of $18.85—

Mr. Speaker: Order. Will the hon. member be good enough to put his supplementary question?

Mr. McCullough (Moose Mountain): Yes. I should like to ask the minister whether he is aware that a price of $18.85 is being paid for grade A hogs on the Winnipeg market?

Mr. Gardiner: I am quite satisfied no such price has been paid.

NATIONAL DEFENCE

REQUEST THAT AIR-SEA RESCUE SERVICE BE AUGMENTED

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of Transport? In view of the recent losses at sea on the west coast, will the minister augment the existing air-sea rescue service by the provision of helicopters for that work?

Inquiries of the Ministry

Hon. George C. Marler (Minister of Transport): I believe that question ought to be directed to my colleague the Minister of National Defence, under whose department search and rescue in British Columbia comes.

Mr. Pearkes: May I direct the question I asked the Minister of Transport to the Minister of National Defence?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I have already noted the hon. member's question; but the provision of helicopters for any purpose is not as simple as a question and answer.

DISABLED PERSONS

INQUIRY AS TO POSSIBLE AMENDMENTS THIS SESSION

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I direct a question to the right hon. Minister of National Health and Welfare? In view of the fact that there is no reference in the speech from the throne to any proposed amendments to the Disabled Persons Act, would the minister care to indicate whether he is prepared to recommend amendments to that act during this session?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I would be most ungrateful if I did not at once acknowledge the tribute which my hon. friend paid me a few moments ago. I can say to him that I generally think I am right, and I hope I am always honourable, but I am not entitled to the designation involving these two words.

The question that my hon. friend asks is one that will be studied very carefully by a group of administrators of disability allowances from both the federal and provincial governments.

BLIND PERSONS

INQUIRY AS TO PAYMENT OF SUPPLEMENTARY ALLOWANCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? What consideration is the government giving to the request of the blind organizations in Canada for a supplementary allowance to blind persons to help them to meet those special expenses which arise because of their blindness?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, in answer to the right hon. gentleman, I would like to say that the government of course is giving all representations of that character its most careful consideration.

STORMS

MARITIME PROVINCES—RESTORATION OF TELEGRAPHIC COMMUNICATIONS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for Queens asked as to progress being made in re-establishing telegraphic communications in the maritime provinces.

The management of the Canadian National Railways advise that extra men have been assigned to the area and that rehabilitation work is being carried on around the clock. By Friday of this week the Canadian National hope conditions will be close to normal.

So far as any government telegraph lines are concerned, the department has had no reports of any failures in service.

I might add that the department does not receive reports from private telegraph companies.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 11, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, first of all I want to extend my compliments to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the motion to adopt the speech from the throne. I do so with more than the customary formality because I have had earlier occasions to listen to the mover; and so far as the seconder is concerned, I very greatly welcome the opportunity to hear a young man in politics making a speech in this house for the first time.

I was particularly interested in the remarks made by the hon. member who moved the motion because at the time when in our earlier association she visited the parliament buildings in Toronto as the reeve of Teck township it seemed to me that we saw eye to eye on a great many things. I am a little inclined to think that today also we see eye to eye on a great many things, and probably on many subjects of importance, particularly in relation to the mining areas with which she has been associated and about which she has spoken so well, though we have a few differences of opinion. Whatever our thoughts

may be in that respect, I welcome the occasion when for the first time a lady member of this house has moved the adoption of the address in reply to the speech from the throne. I trust that in the years to come many opportunities will be presented to other ladies, and perhaps those now in this house, to move similar motions. Even with the assurance that hon. members opposite may have that this is a distant possibility, at any rate may I express the hope that in due course we shall see many more ladies taking their places in this house and contributing to the discussion of those special fields in which their knowledge is of such great value to all of us.

I hope also that the youth of the seconder of the motion (Mr. Laflamme) will offer encouragement to many young people to play their full part in our political affairs without waiting perhaps too long in the hope that with a greater maturity of years they may have more opportunities. As we look around this house we see many hon. members who have spent many years here. Apparently they have not suffered, but on the contrary they seem to have actually gained in health and friendship from their long association with other members in this chamber.

Today we are considering what is the government's statement of parliamentary business which was presented to us last Tuesday in the speech from the throne. My complimentary remarks end there. The speech from the throne, which is of course the speech of the government presented under our constitutional system by Her Majesty's representative, contains no single new statement which has not already been before the public except the announcement that it is the intention of the government to introduce legislation which will assure to those women employed in the government service equal pay for equal work.

Naturally we welcome this legislation and the government will be well aware why we do. We do this, not only because of the value of the legislation itself but because we have sought this legislation for several years. For three sessions the hon. member for Hamilton West (Mrs. Fairclough) had similar bills on the order paper. Granted, they were presented by a member of the opposition—and I suppose for that reason they were tainted to some extent in the minds of the government. But there have been occasions when the government has accepted bills put forward by members of the opposition. I recall one measure of considerable importance put forward by the hon. member for Kamloops (Mr. Fulton) and later adopted by the government. I recall others which have been adopted. Therefore it is not sufficient simply to say that this was put forward by the opposition.

Three years ago when the bill came forward it did not reach a vote. On April 6, 1954, there was a division on the motion for second reading and we had a most gratifying example of independence, which I hope will be extended and enlarged, when twelve Liberal members supported the motion. All members of the government and the overwhelming majority of Liberal members voted against the motion. The same was true on February 15 last year. On the latter occasion eleven Liberal members voted with us on the bill, and every member of the government and all the other Liberal members against it. I mention this because it is naturally a matter of gratification to us that the government has adopted a measure which has been put forward and supported by the vigorous arguments of the hon. member for Hamilton West (Mrs. Fairclough) and other members; and I hope that in this case members on both sides will feel it is appropriate to congratulate the hon. member for Hamilton West on the adoption of the measure which she has sought to have placed on the statutes.

In addition to that one positive statement —a very gratifying statement—and the repetition of information already made public, there is very little but easy reassurances and uninformative platitudes. Surely, on a careful examination, no hon. member has been able to find any earlier speech from the throne which contained less information than this does.

After a few brief references to legislation which will be introduced to implement earlier public statements, we are told at the close of the speech from the throne that we shall be asked to consider the revision of two acts and the amendment of ten others. Is that the legislative program for this session? Or perhaps I should ask: Is that as far as the government has yet gone in deciding the legislative program for this session? If it is, then once again we shall find that it is not the form of the rules that determines the expedition of the business in the house; it is the way in which the business of the government is presented to this house.

Either the government has more information or they have come unprepared; or, on the other hand, they have information and have denied to us information which properly should have been included in the speech from the throne. It is surely appropriate that, no matter how brief the speech from the throne may be, it is intended to state the general legislative program of the government. It seems to me that, if there is

further information, then it carries one stage further the disregard for this house which we have had occasion to mention at different times.

What about the Canada Council, which has been mentioned before in the speech from the throne? We have heard a good deal about that. This government has emphasized its belief in the commission report which presented that recommendation. Has the Canada Council been lost along with the Canada Medal? Certainly there is nothing to tell us what is to be done about this council, which many members have hoped might be able to implement in some measure those broad recommendations of the Massey report, in regard to which I think there is common agreement in this house.

What about a revision of our labour legislation? It will be recalled that we have been asking over and over again that effective steps be taken to review our labour legislation. It will be recalled that at a time when this house was brought together to meet a situation, with which the government dealt in a manner of which we did not approve, we emphasized then the need for a review of our labour legislation. We pointed out then and we have pointed out continually since then that as this country rapidly expands and our industrial development creates increased numbers of workers in this country a basis of harmony and of understanding and of the recognition of the rights in clearly defined terms of those who work in our many activities in Canada is an essential part of that good understanding, of that good fellowship which is a priceless part of the development of this Canadian democracy of ours.

We have had general assurances that this subject was being considered, but now when concern may be felt by many about the situation that could arise it is not too much to ask the government to take steps to carry out the recommendation that was made at that time and call together representatives of labour, of management and of the government, so that the greatly cherished rights of organized labour, the relationship of management to labour and the relationship of the public represented by the government may be explored and interpreted in satisfactory and desirable legislative terms. There is no reference to this in the speech from the throne.

Then again, what about the interesting question of the use of television? It is true reference is made to a commission that has been appointed; but, Mr. Speaker, this country must be almost unique on either side of the iron curtain. We have had television broadcasting for several years in Canada and the Canadian people have yet to see the first political broadcast by any representative of any of the national parties. That same limitation has not been imposed upon provincial parties. In the provincial elections that have taken place the provincial parties have been given the right to use this medium of communication to convey their ideas in the ordinary use of free speech. We alone are denied that privilege. I do not know of any other country with television broadcasting today where political broadcasts are not available to representatives of the political parties.

The right to have those broadcasts has been requested. The right to have such broadcasts has been urged by the party I have the honour to lead and by the other parties on this side of the house. This is no longer something to be left in the hands of any government agency with the bland assurance that the government does not interfere with those agencies. If those agencies are not carrying out the processes of democracy, then it is the duty of the government with the support of parliament to take appropriate steps to assure that they will. The time is overdue for the same privileges that have been extended since the very first days of radio broadcasting to be carried into the field of television broadcasting. That is particularly true when we see that the C.B.C. television news finds so many occasions to report the activities of members of the government. I am not in any way challenging the wisdom of that, and I concede immediately that there are members of the opposition who have had similar opportunities. That, however, is not part of the process of the exchange of political ideas.

My understanding was that the very large sums of money that the parliament of Canada has been called upon to approve for the maintenance of these channels of communication had as their purpose, amongst other things, education. At a time when it is pointed out to us in the speech from the throne that there are other things than arms that count in preserving our democracy, I think we perhaps might suggest that one of the things that will help to preserve democracy is a knowledge of the political processes themselves. Therefore, Mr. Speaker, I urge the Prime Minister (Mr. St. Laurent) to regard this as a subject of very real importance from the point of view of the continuance of our democratic processes and to take such appropriate steps with the concurrence of parliament as may be necessary to assure that broadcasts of this type will be available.

During the course of this debate, Mr. Speaker, there will be many vigorous criticisms of things that have been done. In recent

years there has been a tendency for some sensitiveness to be displayed when criticism is directed to the government with regard to public affairs. In fact, it is carried so far that it is almost regarded as improper to direct vigorous and strong criticism of action which in the opinion of those expressing their opinions may call for the strongest terms of criticism. I am not suggesting for a moment that the members of the government or hon. members of this house are not quite prepared to take their part in the exchange of ideas, but nevertheless I do recall, as many others will, occasions on which some evidence of dissatisfaction was expressed when criticism was directed to the government.

For that reason it seemed to me that there was a very special significance in the words of Her Majesty the Queen when in her Christmas broadcast she spoke of the great traditions of our democracy. Less than three weeks ago, speaking to the whole world over the radio, Queen Elizabeth used these words:

> There are certain spiritual values which inspire all of us. We try to express them in our devotion to freedom, which means respect for the individual and equality before the law. Parliamentary government is also a part of this heritage. We believe in a conception of a government and opposition and the right to criticize and defend. All these things are part of the natural life of our free commonwealth.

When, Mr. Speaker, vigorous criticism may be directed against any action of this government let us remember that we have it on the highest authority that can express it that this in fact is the proper conception of our form of free government. As we direct vigorous criticism against the government—and we shall do so—we do so not merely for the sake of criticism itself but because we have already seen in this house the positive value of criticism. We have seen that criticism, maintained and carried forward with conviction and determination, produces results. May I say at the outset that it is not my intention today to move a detailed amendment. There are too many subjects to discuss for them to be included in one amendment. Moreover, His Honour the Speaker has indicated that if a specific subject is contained in an amendment which is voted down, we cannot later introduce that subject on a motion by way of amendment when we are going into supply nor may we bring it forward in any other manner. We regard the motions on going into supply as extremely important motions and we certainly do not intend to close the door to the introduction of positive motions which will call for an expression of opinion by the members of this house in regard to several of the extremely important issues that are now before us. We hope that hon. members opposite will welcome as much as will our own members the opportunity that will then be available to them to express the opinions that they have been expressing outside this house about some of these subjects.

I make that explanation now because we intend neither to make nor to be involved in detailed amendments which would foreclose the widest measure of debate at a later stage in this session when we are presented with the opportunity that is only then afforded to the opposition to frame its own motion, and to have a decision expressed by the house, in terms that we believe place the matter before the members in a manner clearly expressing the opinion of the members.

This speech from the throne comes before us at a time when we are in the midst of tremendously important events. Yet let us see what we are told about international affairs. This is what we are told in the speech from the throne:

> Since you last met there have been significant international developments. Some of them have been welcome as releasing tensions in certain parts of the world while others unfortunately have had the contrary effect.

There we have a clear, explicit and positive statement that will immediately commend itself to the opinion of hon. members. The speech from the throne continues:

> My ministers remain convinced of the need to maintain the defences of the free nations as a deterrent to war.

Yes; we have expressed that belief. The speech continues:

> A strong North Atlantic Treaty Organization and adequate protection for this continent are in their view fundamental to the preservation of peace and the security of Canada.

Then the speech from the throne or the government's statement, as we might properly call it, says that there are other things than arms that must be considered in maintaining security, and reference is made to the extension of friendship and the part we can play in the extension of that friendship with other nations.

Mr. Speaker, even the most commendable effort at condensation must surely have found difficulty in producing such a meaningless statement in these troubled days. We are living during a period when the history of all mankind is being shaped by events of such compelling importance that the decision of this government, its policies and the attitude we are asked to support must surely be amongst the first considerations to be placed before us. Foreign policy, under our historic tradition, undoubtedly calls for consultation and conditional decisions which must from time to time be made on the spot by the representatives, ministerial and diplomatic,

of any government. But in the end the ultimate responsibility, under our system, is with parliament. In view of the fact that we are told so little in the speech from the throne, it would be difficult for us to know to what phase of foreign policy we should direct any remarks if we were to make those remarks in this debate. For that reason, Mr. Speaker, I ask the Prime Minister to permit a coherent and related debate on external affairs as a separate debate at an early date on an appropriate motion. If that course is followed, we then can hear from the Secretary of State for External Affairs (Mr. Pearson) a comprehensive review which will bring to us information gathered in an extended and, I hope, fruitful trip. We can also have an opportunity, without separation of the discussion, of discussing some of those statements of policy which have been made not merely in political statements but in fact have appeared in certain magazines and other publications and which perhaps may raise some question in the minds of people in other countries as to whether these are things decided upon by parliament itself.

Now that parliament meets I would hope that we may have a chance of discussing those things here so that not only within our own country but also within the partner nations which are associated with us in that great organization we describe as NATO it may be known what is in fact the expression of the representatives of the people of Canada on some of these subjects. With the shorter period that this debate will take, under the new rules, I hope that facilities may be afforded for such a debate. It need not take long but I am sure it is one that would be welcomed by all hon. members. In such a case it would also make it possible for many of the hon. members of this house to express, in regard to subjects of importance, certain opinions which we would hope might be helpful to the government. No matter how closely related to the speech from the throne —if that is possible—a debate of this kind might be, nevertheless it does not seem to afford the same opportunity to bring into focus the thoughts of the members with regard to these extremely important subjects. I think it would be particularly desired that such a discussion should take place before the Prime Minister of Great Britain and the Secretary of State visit Ottawa in February. I need hardly say that every hon. member in this house welcomes the prospect of seeing Sir Anthony Eden here for the first time in his new capacity. I would hope that it might be helpful to the government at the time of those discussions to have had a review of foreign affairs in this house where new subjects, which have not as yet been brought forward, might perhaps be presented for consideration.

Then, I turn to the first subject that is dealt with by the speech from the throne after the reference to external affairs and the appointment of certain commissions. Anyone not living in Canada who read this speech from the throne at some distant point would be satisfied that today we are living under conditions so perfect that government intervention is hardly necessary in any case. Let us see what we are told.

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being. In particular, although sales of wheat in the past five years have been at record levels, an unprecedented series of bumper harvests has made necessary the storage of abnormal stocks of grain both in elevators and on farms. Lack of space in elevators has limited the ability of producers to deliver grain as early as usual in the marketing year.

Now, Mr. Speaker, that is what we are told about the sectors of the economy which have not fully participated in the general high level of prosperity to which reference is made. There is not a word about potatoes, not a word about apples, and not a word about many other farm products which are of immense concern to the farmers whose daily livelihood depends upon the marketing of those particular farm products. There is not a word, of course, about the problem of marketing butter. The right hon. Minister of Agriculture (Mr. Gardiner) nods his head. There is no worry so far as he is concerned. One might almost think there was no butter.

But, Mr. Speaker, there are many people who seem to be concerned about these things. They have been making representations to the government. The government is well aware of these problems. It would have helped if we had known what the government proposed to do in regard to the representations that have been made and whether we are or are not going to have some legislation before us to deal with these subjects. Why, Mr. Speaker, even with one ear the Minister of National Defence (Mr. Campney) must have heard some rumblings of discontent. No, Mr. Speaker, the government is not unaware of these representations. It would have been helpful if we had known. Of course, there is particular emphasis on that because the right hon. Minister of Trade and Commerce (Mr. Howe) today made it clear that if we are looking for the government's policy the only place we can look is in the speech from the throne. When he was asked today about the wheat policy, his reply was that the government's policy on wheat is at present on the order paper. Therefore, you have the whole policy; this is the whole story.

This certainly brings us to a discussion of a question which is of concern not merely to the wheat growers of western Canada but to every Canadian. It is of great concern to everyone who realizes the plight of the prairie farmers at this time. This is not just a question of a particularly bountiful crop. We are told that is all that has happened; we have had a bountiful crop. If that were all that had happened, we would not need to be greatly worried. But the truth is that we have been affected by other problems as well. Surely, the Minister of Trade and Commerce will not question that there are other problems when he has found it necessary on a number of occasions to complain about what are described as the give-away policies of the United States government.

Of course, it is difficult to tell what the position of the government really is. There is a right and a left. There is a right of the Prime Minister (Mr. St. Laurent) and a left of the Prime Minister. The right hon. minister on the Prime Minister's right thinks that those sales are wrong, while the right hon. minister on the Prime Minister's left thinks they are right. In fact, he has told the dominion-provincial agricultural conference he is going to do even better when he gets a chance, and he has started to do it.

Mr. Gardiner: We both agree on all of it.

Mr. Drew: Perhaps the right hon. minister will define the part in regard to which there is some limitation in the difference of opinion between himself and the Minister of Trade and Commerce.

Mr. Gardiner: We will do that in due course.

Mr. Drew: Wheat sales are mentioned, and therefore in discussing the speech from the throne it is essential that we consider this whole question of wheat markets. The United States is not diminishing but is intensifying its drive to get rid of its surplus. This was re-emphasized in the clearest and most explicit terms this week by the President of the United States in his statement to congress.

Now, the Minister of Trade and Commerce has indicated that the government's whole policy is to be found in this limited statement that we have before us. What are we to be asked to do to meet the really serious situation confronting most of the prairie farmers at this time? We are to be asked to authorize the treasury to bear the cost, from August 1, 1955, of storage and interest charges on wheat held by the wheat board, over and above its normal carryover level. Just what does that mean? It is a most ambiguous statement, and I hope it will be clarified at the earliest possible moment. If it means anything worth while to the farmers then it should mean that the abnormal carryover and storage should be paid for by the treasury, according to this paragraph—whether the wheat was delivered to the elevator before or after August 1, 1955. Otherwise, the effect of this will be very limited indeed.

Mr. Howe (Port Arthur): The farmers know what it means; don't you worry about that.

Mr. Drew: No one, Mr. Speaker, will more readily give full credit to the common sense and intelligence of our farmers than I will. But if the farmers of this country are able to understand what this speech from the throne means, then they have a great deal more ability than most members of this house, and certainly than the members of the government who themselves do not understand what it means.

It should be pointed out that we are also being asked to authorize a guarantee in regard to certain farm loans. The guarantee has already been made. The proper course would have been to call this house together and not only to have placed the legislation before the house at that time, but to have offered an opportunity for hon. members to present their arguments to the government before they became committed to an unsatisfactory course, which has not met approval by the farmers. That would have been the wise, the satisfactory and the sensible parliamentary procedure. But no; this government simply regards parliament as a place to get the stamp put on afterwards. They said what they were going to do. They then promised the guarantees and counted on the fact that they would get appropriate support. Well, they will; but Mr. Speaker, I would hope that from within the ranks of the Liberal party would come some suggestion, privately if not publicly—if that is too much to hope for—that the government can go too far in taking for granted subsequent parliamentary support for decisions that should have been made by parliament. On this occasion, after extensive commitments have been made and presented to the public, they are brought to us for approval.

It is not a question whether we approve of this or whether we do not. There was a far better method. There were many things that should have been done.

An hon. Member: What are they?

Mr. Drew: Mr. Speaker, one of the hon. members opposite asks: What are they? Well, we at least have the admission of one hon. member that he does not know all the answers to this question.

The government has sought to create the impression that the plight of the prairie

farmer is really not so very serious after all. Statistics have been employed which seek to give the impression—and probably it did give the impression in other parts of Canada—that the prairie farmer really is not having too difficult a time. The statistics do not support that statement. The real statistics show a very different situation.

In the past three years there has been a sharp decline in farm income in western Canada which, if it had been repeated in other parts of our economy, would have spelled disaster for the whole of this country. Let us see what the figures are. In 1951 the farm income in western Canada, that is in the prairie provinces, was $1,127 million; in 1952, it was $1,082 million; in 1953, it was $884 million; in 1954, it was $376 million.

It would appear, Mr. Speaker, from the figures now available, that the returns for the current year will be even less. Of course, it is true we do not need to be reminded that the year 1951 was the peak revenue year. It would not be any answer to any industrial worker, if he told you that he had seen a drop in his income to one-third of what it was in 1951, to tell him that that was not really serious because 1951 had been an all-time peak up to that time. The fact is that in this human sphere people do gear their lives to the level of income, with some adjustment to that situation if they are wise and cautious; but surely it is not to be expected that within that length of time revenue would drop as it has in this case.

These figures tell why there should be cash advances to the prairie farmers for field-stored grain, and without further delay. The government never really intended that this system of farm loans should have any broad application to the problem. I think that was made perfectly clear on November 28 by the Minister of Trade and Commerce (Mr. Howe) in a speech he made in Calgary. These were his words:

> It is my hope and belief that comparatively limited use will be made of the lending facilities, that most farmers are either in a position to carry on without borrowing, or are in a position to finance in the ordinary way.

Now, Mr. Speaker, that statement is not borne out by discussions with any representative groups of prairie farmers at this time. The system that has been adopted is open to many objections. These objections were pointed out right away. The banks are not in a position to carry out any system of cash payments. There was a perfectly simple method, and that was to make cash payments as advances on the quota book in the ordinary way in relation to a stated quota of the grain grown last year, and then to have the grain made deliverable upon demand as soon as space became available in the elevators. No real difficulty presents itself in connection with that. The elevators are strategically situated to absorb the grain; the elevators have the staff to do the job. The elevators could have handled it satisfactorily under a system that would have been simple and that would have involved no serious difficulties of any kind. But in this case the minister responsible for the marketing of the grain says he believes that most farmers are in a position to finance in the ordinary way. Well, that is one reason why it is so necessary to discuss this subject. Surely that statement is adding insult to injury.

When times were good the government, with smug self-satisfaction, announced the cheques it was going to pay out. It did it with a flourish. When it was going to be a really big one, it did it as close to an election as possible. It did it with the proud boast also that this was because of its almost divine omniscience. Now, when things are tough, it washes its hands of the problem and turns it over to the banks. In turning it over to the banks it does not show the same consideration that it proposes to show to those who are interested in certain other types of activity in this country.

Another provision that we are going to be called upon to make calls for interest, I believe, of 3½ per cent; but in this case the farmers must pay 5 per cent for the loans that are necessary and are guaranteed, remember, by this government. Surely, that is piling it on the farmer fairly hard. Even if there are any substantial advantages in these proposals that are made, it is just a case of giving with one hand and taking away with the other. The government cannot and must not evade its responsibilities in this situation. I hope that among hon. members of this house on both sides there will be freely expressed views which will indicate the belief that this is not merely of concern to the prairie farmer but is a matter which the members of this house, from coast to coast, recognize as a national problem.

Wheat marketing alone is not what is causing difficulty for the farmers. Deliveries of oats, barley and rye have been cut most severely by quotas, the reductions from last year's figures being 66 per cent of oats, 36 per cent of barley and 77 per cent of rye. Of our total deliverable grain about 15 per cent had been delivered by the end of November as compared with 32 per cent a year ago. Along with the figures I have given already this indicates something of the nature of the broad problem, the difficult and serious problem with which the prairie farmer is confronted at this time.

The problem is not only in regard to grain and wheat alone; nor is it only in regard to the failure of the government to market our products. One of the problems, a problem directly related to the subject under consideration, is the very large quantity of unused elevator space in western Canada at this time. The elevators are not full. That situation is related directly to any provision which is made and which assumes that they are. The figures are clear at this time that there is well over 100 million bushels of storage space empty in the elevators in western Canada, that more than 100 million bushels of elevator space could absorb very substantial quantities of the farm-stored grain, as good grain as we have grown in a great many years.

When there is storage space available for well over 100 million bushels, why is that space not being used? The government has the machinery. If that machinery is inadequate, let them present to this house whatever appropriate legislation is required and I feel sure that they will receive the support of hon. members of this house in regard to that situation.

I heard the question asked: what could be done? I have made certain proposals and I repeat them now. One: Provision should be made for immediate cash advances in the ordinary way on the quota book by the wheat board for farm-stored grain on a quota basis, making an initial payment thereon as if the wheat had been delivered to the elevator. The wheat would then be delivered on demand by the farmer as elevator space became available.

Two: Low-grade wheat now occupying elevator storage space while high-grade wheat cannot be stored should be sold for feed grain in Ontario, Quebec and abroad. This would provide elevator space for a good part of last year's high quality crop.

Three: The government should recruit top-flight salesmen from Canadian business concerns who would plan an aggressive selling policy for Canadian wheat and give advice as to long-term selling policies.

Four: The government should refer the whole problem of the handling and sale of Canadian wheat and its relationship to the Canadian economy as a whole to the Gordon commission on Canada's economic prospects and ask for an early interim report as well as a more complete report later on.

Five: The government should take immediate steps to assure the full use of all elevator space.

This is not by any manner of means the first time that we have made proposals that cash should be advanced for farm-stored grain. On December 17, 1952 I had the following to say on behalf of our party:

> In view of the fact that farm storage of grain is not normal in Canada under ordinary circumstances when line elevator storage is available, it does not appear desirable that legislation should be designed to encourage farm storage when satisfactory elevator storage is a practical possibility. On the other hand it now seems necessary, and urgently necessary, that something be done to make cash available to the farmers for farm-stored grain, if they are to meet their current debts and make the necessary arrangements for the next year's crop. That is the principle at issue.

That is what I had to say on the subject over three years ago. Then let me quote what is reported on page 27 of *Hansard* of November 24, 1952, where I had this to say:

> The whole system of handling and distribution has broken down. The government, no matter what its explanation may be, has failed to take effective steps to provide for the handling of grain, in spite of the knowledge many months ago, and the warnings many months ago, that this situation was going to arise. In western Canada today there are many farmers, with huge quantities of wheat and other grains worth considerable sums of money, who are unable to get money at this time to cover their harvesting and living expenses because of their inability to deliver that grain to market.
>
> This is a situation with which the government should deal immediately. It is urgent and calls for attention without delay.

The situation did ease off to some extent, but the basic factors were there more than three years ago when we urged immediate action to prepare to deal with this subject. But the government brushed those suggestions aside, as suggestions are being brushed aside now. I hope that hon. members on both sides of the house who come from western Canada and who are living in the middle of this situation will clearly interpret the situation to the house and to the members of the government who have not yet acted as though they recognized what the problem really was.

The situation today is urgent and it calls for attention without delay. The urgency is that much greater because of the failure of the government to act over the long period during which these requests for action have been made.

There is another aspect of the problem which should not be disregarded and I am making this statement now in the hope that we may achieve results. I am making the statement now in the hope that whether they do so publicly or privately—I would prefer publicly—hon. members opposite will indicate to the government how strongly they feel on this subject. Perhaps then we might find some bending on the part of the government. Perhaps even the right hon. Minister of Trade and Commerce (Mr. Howe)

would bow to the indicated views of hon. members as he did on an earlier occasion.

There is no hint in the speech from the throne as to what is going to be done in the future. It is not the present, it is what is going to be done in the future. We have the words of the right hon. Minister of Trade and Commerce, "If you want to find out our wheat policy look at the speech from the throne."

Mr. Howe (Port Arthur): I did not say that.

Mr. Drew: The order paper.

Mr. Howe (Port Arthur): Why not say "the order paper" and then we will be together?

Mr. Drew: I am assuming everyone is correctly interpreting what those words mean. The fact is that the only thing on the order paper that refers to this subject is the very speech to which reference has been made. Since we have that statement, this is the time not only to ask for action in regard to what has been grown but to point out the urgent need for a statement of policy by the government as to what is going to happen during the current year.

How can the farmers of western Canada plan for this year unless some statement is made? Not only is it necessary from the point of view of the future of the whole Canadian economy; it is vitally necessary for the farmers themselves so that they will not become further involved if nothing is going to be done. Anything less than a clear statement of policy covering the whole of the current year at this time is going to create frustration, confusion, hardship and even, conceivably, disaster.

The proposals now made by the government fall far short of meeting the situation. In fact, they suggest that the government intends to rely on the hope of a crop failure. What else is there, if this represents their whole policy? That is a grim prospect for our prairie farmers. The government seems to hope that a national emergency will be solved by a domestic disaster.

I am not suggesting that this is a simple problem. On the contrary, it has become an extremely difficult problem because of the failure of the government to adopt any positive and coherent policy. It has become more difficult still because of the fact that we live side by side with a great and friendly neighbour which finds it necessary in its own interests to follow a course that makes things still more difficult for us. But the facts are well known. What is needed is that the government grapple with these facts and come forward with some definite statement on what it intends to do.

Whether it agrees or does not agree with what the United States is doing, it knows what the United States is going to do. It would be desirable that we have a similarly clear statement. At least let us hope that the two ministers mainly concerned will reconcile their differences of opinion so that the government in this case may speak with one voice.

The Minister of Trade and Commerce may be the one who interprets the views of the government; the Minister of Agriculture (Mr. Gardiner) may be the one; but at least let us know which voice is the voice of the whole government in this case. Here is a glaring inconsistency in more than mere words. The Minister of Agriculture undoubtedly believes in something of this kind and he has acted on those beliefs. He has made arrangements for the sale of butter to communist governments at a loss of at least 25 cents a pound to the Canadian taxpayer. In doing that, he is doing the very thing the Minister of Trade and Commerce has been criticizing when it was done by the United States. As a result, the very friendly government of New Zealand has criticized this government for what it has done.

Mr. Gardiner: No one in this government has ever criticized the United States for selling butter.

Mr. Drew: The Minister of Agriculture wants to slide on butter alone. We were talking about policies in regard to handling farm products, and there is no difference between the way he is handling the sale of butter and some of the arrangements the United States government is making, which have been the subject of criticism by this government. When it comes to the question of farm products, there is no essential difference in principle between any of these products.

As far as this is concerned, we have another difficulty confronting us. At the time when the Minister of Agriculture tells us that we have no real surplus as soon as we dispose of 10 or 12 million pounds, we are told by the National Dairy Council of Canada, an organization which should know something about the facts, that there is a very large surplus. These are their own words:

> With milk production running at an all-time high, it is estimated that the butter surplus exceeds domestic needs by some 65 million pounds.

Now, who is telling us the facts?

Mr. Gardiner: Who is the dairy council?

Mr. Drew: I hope the Minister of Agriculture will repeat that question to the national dairy council.

Mr. Gardiner: I have repeated it many times.

Mr. Drew: I hope he will, because one thing is certain, that in these conflicting statements somewhere or other a policy is emerging, whether it is there or here: "the truth if necessary, but not necessarily the truth." Which is the correct statement? Where are the facts? Surely inconsistencies can go too far. Surely there must be some limit. Of course, in the meantime the communist government of East Germany must remember words that were spoken long ago: "guns or butter". The East German government is in a better position; it has guns and butter. It gets the guns from Russia and the butter from us.

These are things in regard to which we should have clear and explicit statements and there should be a resolution of its own position by the government so that we may know what the facts are. One clear fact is that this government is drifting, is not dealing with problems, and is so self-satisfied under the impression that its large parliamentary majority, unrepresentative of the actual voting strength which supported it is a permanent thing on which it can count forever. It does not seem to be very much bothered with parliament or with the demands of those who are waiting upon it.

Granted that detailed policies may be difficult to state, surely we have a right to expect that, in regard to all these products, the policies will at least be understandable, whether it be with regard to wheat, coarse grains, butter, cheese, apples, potatoes or any other farm product, so that our farmers may not merely know what is going to happen in regard to what they have already produced but may know what plans they should make during this spring for the coming crop season.

There are, of course, difficulties in the way of meeting these demands, but before the end of the debate on the speech from the throne we might hope that the whole issue will be clarified.

The next subject of importance in the speech from the throne is the construction of the gas pipe line across northern Ontario. We are informed that legislation will be placed before us. Because of the time limit in the contract itself, it is to be hoped that that legislation will come before us very quickly after the termination of this debate. That will be the time when we shall know what the legislation is. That being so, I believe that the best time to debate this subject will be when we see the legislation and can relate our arguments to the legislative proposal which is actually before us. However, in the meantime I do wish to place before the Prime Minister a proposal which I hope he will approve and which I think would meet with the approval of members generally. It will be recalled that we made repeated and persistent efforts during the last session to find out what plans were under consideration. We found that impossible. Now we are told some details. We do not know yet what form the legislation will take, what features may be included in that legislation.

There is one very satisfactory way in which all hon. members could be adequately informed with regard to this vitally important subject. I ask the Prime Minister to appoint a select committee of the house representative of all parties which would begin immediately to inquire into the whole question. That committee should be given the power to call witnesses and to call for the production of documents. In that way the relevant evidence in regard to this vitally important subject could be made available in a very short time. We would then be in a position to deal with this tremendously important question with a knowledge that will not be in our possession if any other course is followed. I make this request in all earnestness hoping that the advisability of a committee of that kind under the circumstances will commend itself to the Prime Minister on this occasion.

I wish to deal now, Mr. Speaker, with a subject that is causing great concern throughout Canada and very naturally so because it relates to the whole question of the human structure of our country. There is no mention whatever in the speech from the throne of the extremely important subject of immigration. Certainly the figures of immigration in the last year were startling enough to call for some comment by the government and some indication of the course it proposes to follow. The figures of the last few years tell their story. The number of immigrants arriving annually was as follows:

Year	Number
1951	194,391
1952	164,498
1953	168,868
1954	154,228

In contrast with that the total number arriving in the first nine months of 1955 was only 86,607. True, the government announced in the middle of December that there would be some assistance to immigrants under special conditions. Another announcement which we certainly welcome is the setting up of an appeal board which we hope will have some opportunity to deal with some of the unexplainable decisions of the officials of the department handling this very important question.

But the uncertainty of our immigration policy is part of the government uncertainty in a larger field. It relates to the whole question of development, of expected population, of the manner in which this country is going to grow. There are undoubtedly some people in Canada living in areas where growth is rapid who are unaware of the fact that there are many parts of Canada where growth has been stagnant for many years. A broad policy of development is something that we have urged in the house time and time again. We need co-operation in the development of our great power resources between the federal and provincial governments. Perhaps one hopeful thing about the announcement made in connection with the pipe line is that the federal government has now enunciated a policy which will surely prevent them at any future time from giving the answers they have to the government of New Brunswick in connection with the Beechwood power project, to the government of Saskatchewan in connection with the South Saskatchewan dam and irrigation project, or in connection with some of the other projects in respect of which the provinces have sought the co-operation of the federal government. If the government is ready to join in this particular case it is difficult to see how it can withhold similar co-operation between the dominion and provincial governments in other cases where development might seem wise and advisable.

We have been urging the adoption of a development program for many years. At the same time we have urged the development of power and irrigation resources. Today we stand on the threshold of opportunities not dreamed of in the past. With the scientific devices made available under pressure of war and in the years since the war we now have made available to us in this country by discoveries within the past few years mineral and other resources beyond the dream of avarice. Today we can say without any reservation that if we employ the resources that God has placed at our disposal to the best advantage of our own people there are no people in the whole world today, no people anywhere, with greater opportunities for the future than we have here in our own country.

Decisions, however, still must be made. Reference has been made to our rapidly increasing exports. Yes, but much of that is in the form of raw materials which could be processed here. I hope no one will suggest that I have said that all our raw materials should be processed here. Everything of that kind is subject to the reasonable application of common-sense rules and legitimate self-interest. I do believe it is in the legitimate self-interest of the people of Canada that we should process our own raw materials here in Canada for the employment of Canadians to the greatest degree that is practical and possible.

To do that we need power. Plan the power as we encourage the development. Do not suggest there are no ways in which that encouragement can be given. One of them has been stated on different occasions, namely, to encourage our own industries in this country by proper tax provisions. At the moment there are many industrial and other developments in Canada that are at a disadvantage in relation to companies from the United States who are coming in here and doing business in competition with them. Certainly the least our people can expect is that they shall at least be dealt with equally in relation to competitors from outside our own country.

There are other devices. The first thing is to declare a policy. I submit, Mr. Speaker, that the policy that produced our tremendous development in the forest industry business in this country is a policy that can be applied to our raw materials generally, and that it is then the duty of the government to take appropriate steps consistent with our democratic beliefs and our belief in free enterprise to make that development the best that it can be for the future of Canada.

There is a direct relationship between plans of that kind and immigration. That brings me to another committee. Several years ago the government set up a committee on manpower. It has not been heard of for a long time. It was a good committee. I suggest that along with plans for development and immigration this committee should be revived and that it should examine the whole question of the need of manpower for different fields of development. It can be estimated with reasonable relationship knowing that power produces industrial development, industrial development produces work and in turn industrial work produces payrolls which provide markets for the farmers so that we increase our own domestic markets by that very process. It is all one integrated problem. Let us have a revival of that committee. Let us have real plans for immigration, real plans for development and an examination of what those plans will produce in the way of new population requirements.

Mr. Speaker, we have been told that security does not depend upon arms alone. Certainly we all agree with that statement. One of the things to which it applies, I think, is the efficiency of government. Over and over again we have urged that the government take the appropriate steps to examine our

organization of government just as any big business would examine its own organization from time to time if it expected to remain solvent. The answer has been that this action would be an infringement upon the supremacy of parliament. That contention, of course, is disposed of completely by the way in which this government has been appointing commissions. It has appointed a commission to inquire into the economy of Canada. It is a very good commission and we shall look for fine things from it. But if that commission can be appointed, surely there can be no reason why a commission should not now be appointed to inquire into the organization of government.

There has not been a single report of any inquiry which has not shown some place where there could be an improvement. I therefore repeat my request to the Prime Minister (Mr. St. Laurent)—and it is a request that I have made on many other occasions—that, consistent with the statement in the speech from the throne that there are other things than arms that are involved in the preservation of our security, this basic step will be taken to strengthen the efficiency of government and that he will announce that we may have a royal commission to inquire into the business organization of government and to advise on how this whole system which handles our public affairs can best be administered.

There are many reasons why this matter assumes compelling importance. Let me take one example. It has hardly been realized how fast the government's purchases of goods and services have been increasing in the past few years. When that sort of thing happens the need for examination appears in any business operation. Since 1947 the government's expenditure on goods and services has more than doubled. This fact is an indication of why we need an examination of this kind. Then let us take a look at the total taxation of all governments in Canada. In 1954 it had increased in proportion much more than had the national income. With all the burdens and sacrifices of war, in the peak year of 1944 the amount of our national income taken by all governments was 29 per cent. In 1954 it was 30 per cent. Surely that is a warning. We have often been told in the past that once total taxation collected was over 25 per cent of the national income, we had a real danger mark. The figure of 30 per cent has already been reached. This is the time for governments to examine in every way they can the possibility of economies of one kind and another.

Mr. Speaker, in this house last year we had a debate which showed that discussion and exchange of ideas can produce definite results. I am not in any doubt that the satisfactory outcome of that debate represented the efforts not only of the members on this side of the house, of the press and of the people of Canada generally but of many Liberal members opposite who expressed their opinions privately to the government on that occasion. I would hope that on this occasion similar requests will be made. I repeat that I would hope they would be made publicly. But whether they are made publicly or privately, I hope they will be made. I am sure that there are many hon. members opposite who support some of the ideas which I have placed before them. Certainly I am convinced that the representatives of rural constituencies in western Canada are not fully satisfied with what the government is doing on this occasion.

Let us hope for another example of democracy in action. I do not for a moment suggest that I expect the Liberal members of this house to vote for the short amendment that I shall present. However, I hope that in the process of democracy they will just the same present their arguments to produce results that would give a great deal of satisfaction to many members of this house and to many people throughout the whole of Canada.

Mr. Speaker, I move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe), that the following be added to the address:

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

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, like the Leader of the Opposition (Mr. Drew), I too at the outset should like to extend my warm congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I am sure that both hon. members were somewhat conscious of a special responsibility when they spoke yesterday. The hon. member for Timiskaming (Mrs. Shipley) was making history in being the first woman in this house to move the address and the hon. member for Bellechasse (Mr. Laflamme) was making his first speech in parliament. I am confident that all hon. members will agree that, notwithstanding those circumstances, both hon. members discharged their duty in a manner which gives assurance of further able and conscientious contributions to the conduct to the work of parliament.

Before her election to parliament in 1953 the hon. member for Timiskaming had acquired considerable experience in public life which began in 1939 on her election as

a public school trustee. That success led, three years later, to a seat in the council of the township of Teck. During two years as a councillor the hon. member served the electorate so much to their satisfaction that they made her reeve and kept her in that office for nine years. It was not really surprising that her municipal services and her energetic work with the children's aid society, the hospital board, and many other organizations should have led the electors of Timiskaming in 1953 to consider that she would be a worthy representative of their interests in the House of Commons.

Since coming to Ottawa there has been no diminution in the public-spirited endeavours for which the hon. member had become so noted. She has worked diligently on behalf of her constituency, showing, as the Leader of the Opposition (Mr. Drew) has said, a special interest in the gold mining community of northern Ontario, of which Timiskaming is such an important part. She has applied intelligently and diligently in the house and in the committees the experience she gained in the municipal and social welfare fields.

(Translation):

The hon. member for Bellechasse (Mr. Laflamme) has made an auspicious debut in this house. He has demonstrated the concern which a young lawyer, born into a family of farmers, feels for the welfare of his constituents most of whom belong to the agricultural class.

In spite of his youth, the new member, who has been practising his profession for a little over three years, has taken an interest in public matters for a great many years. The fact that he now sits among us means that the people of Bellechasse have judged that his talents and training were such as to ensure that he would make a fine member of parliament. I do feel confident that the electors of Bellechasse who had been enjoying the competence and devotion of his predecessor for the past 15 years, will know, from reading their new member's speech, that they have chosen a worthy member to look after their interests.

(Text):

Now, Mr. Speaker, the Leader of the Opposition told us that there was going to be vigorous criticism directed against the government during this session. I can assure him that we will be prepared to meet that criticism and that we will hope to continue to find it is intended to be constructive criticism and not merely made for the purpose suggested in one of the newspapers I read yesterday, that there should be a lot of iron in the debates of this house as well as searching and vigorous inquiry. We are prepared to have as vigorous and searching inquiry as possible directed against any of our activities, because we feel that the more these things are known and publicized the better they will redound to our own credit.

The Leader of the Opposition said that there was not very much new in the speech from the throne, that most of the matters that were dealt with there had become known earlier. I believe we have all been in Ottawa long enough to realize that anything that gets serious consideration anywhere does not remain new very long. The ladies and gentlemen who occupy the press gallery have ways known to them of obtaining information which they do not hesitate to communicate to the readers of their newspapers as soon as they can get the slightest inkling about what is apt to happen. I do not consider it a very serious reproach to have been unable to have in the speech from the throne any "scoops" that had not been already scooped up by these representatives of the fourth estate.

The hon. gentleman made one exception, and that was in respect of the announcement on behalf of the government of the introduction of a bill requiring that equal pay be accorded to women in all industries under federal control if the work were equal to that for which the men were receiving a given pay. He suggested that this had been a subject of discussion in the house for the last three years, and that is quite true. But these matters all progress, and I think that the recognition that is continuously being given to the place women now occupy in the professional, and even industrial life of our community, has been reasonably rapid and rather satisfactory. Now, this is a matter upon which opinions have gradually come to take a shape to which we were able to give expression in the speech from the throne. I would expect my colleague the Minister of Labour (Mr. Gregg) would not have very much difficulty with the principle of his bill when it comes before the house for consideration.

The hon. gentleman has said that the speech is very uninformative about the legislation that is being planned by the government. I can assure the hon. gentleman we have included in that speech all the matters that have been decided upon for presentation to parliament at this time. Of course, we cannot give any assurance that there will not be developments in the course of the session that will require other legislation. I feel it is not realistic to say that we are merely proposing the revision of two acts and the amendment of ten other acts. There is a long list of important legislation described in the speech from the throne before one comes to those two paragraphs which group

together the acts to be revised and the acts to be amended.

The hon. gentleman has specifically referred to some of them. One of the most important is, as is always the case in every session of parliament, the provision of the services required to carry on the business of the country and a careful examination of the manner in which the moneys that have been appropriated are disposed of in the fulfilment of the obligations that Canadians put on their elected representatives in this House of Commons.

The hon. gentleman does not find it very illuminating to say there have been some developments in the international field that lessened the tensions in some parts of the world, and that they were warmly welcomed, but that there have been others that have had a contrary effect and which still make it necessary for this nation to do its part with its associates in further extending and maintaining the strength of the free nations as a deterrent to war.

I am not going to dwell upon the almost unimaginable situation that war would now create with those tremendously destructive engines of war that we now know are available and capable of producing perhaps irreparable chaos if used in warfare on this terrestrial globe. I do not think they will be used. I have confidence in the future, and I do not believe that humanity could be so insensible as to resort to the use of those terrible engines of warfare. Nevertheless we have to continue to do our part to maintain that balance which creates a situation where no one could expect that by aggression he would initiate something that would not be as disastrous for himself as for those against whom it was directed.

This means that a very substantial portion of the appropriations made by parliament for the whole of the public services of the Canadian people still has to be devoted to the building up and maintenance of that armed strength. That does put limits upon the part of the income that can be taken by taxation from the Canadian people and that can be devoted to other much more agreeable objectives than to the maintenance of armaments.

The hon. gentleman has noted that there is no reference to the Canada Council in the speech from the throne. The matter was again given careful consideration when the speech from the throne was being prepared, and we came to the conclusion that this was not the opportune time to bring that legislation before parliament. Unless the situation changes somewhat materially between now and the end of the session I do not expect to bring that kind of measure before parliament at this session.

The hon. gentleman has referred to the fact that there is not, in his view, wide enough use being made of television in this country to enlighten the Canadian public upon matters of public policy. Well, personally I am older than the Leader of the Opposition. I am probably more old-fashioned than is the Leader of the Opposition, but I must confess that I have never been too favourably impressed by some of the so-called political television broadcasts that have come from countries where it is used to a very considerable degree. I think it has a place, as have all of these modern inventions, in the dissemination of information; but one of the matters that has to be constantly considered is whether or not it is being used in a manner that is really conducive to a proper and dignified conduct of partisan propaganda.

I think the televising of the opening of parliament has been done without any impairment of the solemnity and dignity of the ceremony, and that it is something that is of interest, and should be of interest, to a very large number of Canadian people who would not have the opportunity of getting the same impression from newspaper reports as they can get from seeing it televised. I can assure the hon. gentleman that there is not going to be any obstacle to the use of television for any legitimate purposes. There may be some question as to how much time provided at public expense should be made available to political parties for those purposes. That is something that will have to be balanced against what its real, educational and informative value can be to the Canadian public.

The matter with which the hon. gentleman dealt at considerable length was the wheat situation as it now exists in this country. The hon. gentleman knows it is part of a situation which is pretty widespread throughout the world. For the last several years there has been more wheat produced and available for export from the four large exporting countries than the importing countries will absorb, and there have been methods adopted in countries which are or were importing countries to foster and promote, at even greater cost, the production of wheat on their own lands. That is a situation that has to be faced as a fact.

The hon. gentleman has said that there is available space in the elevators for 100 million bushels. There is some space available in the elevators at the lakehead; there is some space available in the elevators on the Pacific coast, because there has been serious difficulty in getting box cars to move the grain from point to point. I asked my

colleague the Minister of Trade and Commerce (Mr. Howe) about the hon. gentleman's estimate of the available capacity. His opinion is that it is not half the figure mentioned by the Leader of the Opposition. But even if it is not, that is too much, and there has been pressure put upon the railways to make available all the facilities possible for moving grain into the elevators and moving it from the elevators to the shipping points, and there will continue to be those continuous efforts.

There are some people who believe, as does the hon. gentleman, that it would have been proper for the wheat board to make cash advances against grain on the farm. That proposal was considered and the conclusion we arrived at was that it would not be practicable to ask the wheat board, which had not been created for that purpose, to undertake that additional duty.

The hon. gentleman referred to the proposal for storage charges on the excess over the normal carryover. A resolution dealing with this matter has been placed on the order paper and the matter will be gone into quite fully when the bill is before the house. He has perhaps noticed that it is to be the carrying costs of the reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of 178 million bushels at the commencement of a crop year. That is the time when the calculation will be made as to the quantity to which the recommendation for payment out of treasury funds would apply.

The hon. gentleman spoke of the advisability of recruiting a staff of top-flight salesmen to promote the disposal of the Canadian crop. There are top-flight salesmen connected with the wheat board, and they have been visiting all the traditional wheat importing countries. It is well known that, with the exception of the United Kingdom, importations are not made by the trade but are made under and through government agencies. In all the countries where there was any possibility of finding markets for Canadian wheat there are trade commissioners who have been playing a very active role.

I am told that since the end of November the sales that have been made are greatly in excess of those made in the previous year. That does not apply to deliveries made within that period, because deliveries have been conditioned upon the transportation facilities, which have been used to the extent of their availability.

The hon. gentleman spoke about the development of power and the use of natural resources. Of course all power resources as well as raw materials that can be taken from soil which is still public property are the property of the provinces. The question as to whether or not there should be joint undertakings by the federal government and the provincial governments for the development of resources within the provinces is a matter which also is conditioned upon the availability of funds that can be devoted to such purposes.

The past year was an active one in the development of our relations with the provincial governments. We had several major conferences with the leaders of the provincial governments, and have made considerable progress in developing new patterns of co-operation. Hon. members will be familiar with the preliminary conference which we held in April last to consider the scope and the agenda for our main conference in October. At this preliminary conference the federal government placed before the provincial representatives certain suggestions for action in providing assistance to unemployed persons in need. It was agreed that we should have a special conference on that during the summer. Following detailed discussions between the officials on the facts and figures, we had that special conference on unemployment assistance in June, and I reported to the house immediately on the results of this meeting.

In October we had another full conference on the subjects decided upon at the April meeting. It consisted of an opening plenary session at which the head of each government made a prepared statement, followed by a series of committee meetings in camera at which detailed discussion took place upon the various subjects. A statement was then issued at the end of the meetings describing what had been done in committee.

The conference established a committee of ministers to consider in more detail the subject of health insurance, to which preliminary consideration had been given by the conference itself. This committee met during that week and determined the general nature of the approach it would make to the subject. It will be meeting again later this month under the chairmanship of the Minister of National Health and Welfare (Mr. Martin).

The conference decided also to establish a continuing committee of federal and provincial officials which is to meet from time to time to exchange information and examine technical problems in the field of federal-provincial fiscal and economic relations. The deputy minister of finance was designated to represent the federal government on this committee, and the provincial premiers have all designated senior officials of their services to be their members. The committee will not

take collective action, but each of its members will report to his own government on the subjects discussed.

It was agreed also at the conference that a meeting of the ministers concerned with highway matters would be held to consider the steps which should be taken to continue the work of the trans-Canada highway. The Minister of Public Works (Mr. Winters) convened this meeting in November, and the government will be introducing legislation to accelerate the completion of essential links in this highway and to continue general work on it elsewhere up to the agreed standards.

In addition to these conferences we have had several discussions between individual federal and provincial ministers from time to time, and between officials of our various governments. There has also been some correspondence on the matters which have been discussed at our meetings. These have all contributed to the working out of the matters that were of such concern to us all.

Before speaking of these individual matters I should like to indicate my colleagues' and my own appreciation for the friendly and co-operative spirit in which the provincial governments participated in all these discussions this year. Naturally there have been differences of opinion, and indeed differences of philosophy and approach to the various problems, but such differences are only to be expected. What is important is that there was evidently a genuine desire to make our complicated federal system of government work as effectively as possible and to respect the responsibilities of the other governments in our confederation for carrying on with their part of our various Canadian problems.

I think much was gained in understanding both between the federal and provincial governments and among the various provincial governments themselves, in addition to what we gained in the progress made on the substance of our discussions. My colleagues and I fully recognize the magnitude and the importance of the problems which the growth and development of this country have created for the provincial governments, and we bear this in mind in making our recommendations about our relations with those governments. On the other hand I believe that they now have a better appreciation of the magnitude of the social security obligations which the federal government has undertaken, as well as an appreciation of the continuing burdens of defence.

There were four main subjects of discussion with the provinces over this period. The question of fiscal relations is, of course, the key problem upon the solution of which depends the approaches that may be made to many of the others. There were also the problems of unemployment insurance, health insurance, public investment and natural resource development.

Speaking on behalf of the federal government I outlined a number of the programs it has followed in the field of public investment since the end of the war. They were tempered, of course, by the overriding needs of defence, by the need for restraint because of the dangers of inflation, and by our desire to postpone what could reasonably be postponed so that it would not compete with the high level of private investment.

I also outlined many of the programs we have undertaken, jointly or in co-operation with the provinces, in various fields, and I shall not endeavour to recapitulate them here, as they may be found in outline in the printed proceedings of the conferences held in October and in April last. However, I think I should report to parliament what I said about our approach to the problems.

I said we felt that parliament should not provide for sharing in the cost of provincial projects except in special circumstances and as a part of a policy which we could justify on national grounds. In general, we did not see any need to share in the normal costs of growth of provinces and municipalities. The financing of this growth presented problems, but they did not seem to us to require a federal solution.

In the vitally important field of fiscal arrangements, we have developed during the past year a new approach. We think this approach can become the basis of durable arrangements appropriate to a period of peacetime growth, as distinct from the war-time period and the immediate post-war period in which our present agreements were developed.

Our central fiscal problem in this period of great development arises fundamentally from the fact that the public now expects both levels of government to do things which require substantial expenditures. As I told the provincial representatives in October:

> The people expect and demand—and are willing in the last analysis to pay for—some basic minimum of public services in all parts of Canada. With this added to the cost of war, both levels of government have been forced into more and more intensive occupation of the various fields of taxation. We have both had to use the field of direct taxation, which the fathers of confederation thought would be so unpopular that we could both be trusted in it with little risk of friction. We have also occupied jointly what used to be considered parts of the field of indirect taxes, which the provinces have learned to cultivate with some legal and administrative ingenuity. We have not protested this, and indeed indicated in 1950 our

willingness to concur in a constitutional amendment that would regularize—if it needs regularization—and facilitate provincial sales taxes that do not offend against the sensible purpose which the fathers of confederation had in mind.

I went on to say:

Our present problem is twofold; to achieve some method of sharing the revenue available from the direct tax field, and some reasonable degree of equity and stability in the revenue of the various provinces. The latter involves some recognition of the fiscal need of those provinces whose tax potential is less than others, some payment of subsidies in one form or another. There is nothing repugnant to the spirit or the letter of our constitution in this; the original British North America Act provided what were then substantial subsidies and recognized fiscal need. Throughout our history the forces of economics and geography have been tempered by some measure of national consciousness and solidarity. But this process requires judgment and discretion and due regard to the interest of the nation as a whole.

We discussed the tax rental agreements and, for our part, asserted that they had accomplished most of their objectives with a considerable measure of success. By means of them we have achieved a good deal of elimination of duplication of direct taxes and simplification of our tax laws. There is no doubt that the agreements have provided more stability to provincial budgets than they otherwise would have had. They have given an assurance of growth in revenues in proportion to populations and the gross national product. While the need to use these direct taxes as a means of stabilizing employment levels has been less than was thought might be the case, we have had to use them to temper inflation and to meet the urgent needs for funds required for the emergency of Korea and for the NATO defence programs.

I mention these things because they are a part of the legislative program that will have to be considered by this house, and because I tabled in the house yesterday the proposal that has been submitted to the provincial governments.

The payments under the tax rental agreements have included fairly large elements of subsidy to provinces whose tax capacity was not high, and these have enabled such provinces to establish and maintain standards of public services more nearly approaching those of the wealthier provinces than would otherwise have been possible.

Of course it is an understatement to say that the agreements have not found enthusiastic support everywhere, even among all those who signed them. One provincial government felt that they were inconsistent in principle with the spirit of our constitution, and was therefore unwilling to share in whatever benefits they might provide. The premier of another of the largest provinces, in signing the agreement, stated that it was at best a stopgap and should be replaced by a more satisfactory distribution of revenue sources. Others thought there should be a more explicit recognition of fiscal need.

As has been stated many times in this house, the government has never contended that these agreements were a final or perfect answer to the problems in our fiscal relationships. We have been prepared to see them modified, improved, or superseded by something better, if it could be found. We think we have found a means of modifying and supplementing the agreements in such a manner as to enable them to accomplish our essential objectives more effectively and avoid some of the dangers and difficulties that were inherent in the plan underlying the existing agreements, supplemented as they are by the abatements provided in our tax laws for taxes in provinces without agreements. It was the essential principles of this new plan which we discussed with the provinces last fall and which are embodied in the proposal made to them at the end of last week in letters, copies of which I tabled in the house yesterday.

We feel that the time has now come when the equalization aspect that was sought in our tax rental agreements can be secured separately and clearly. I am taking some little time to explain the probable effect of this new plan. It provides for an equalization of revenues derived from the three direct tax fields that were involved in the tax rental agreements.

The first fact we have to recognize is that the various provincial governments have at their disposal very different degrees and types of tax potentials. The second fact is that while the costs of providing required provincial services are not the same in every province, these costs do not vary as greatly as the tax potentials. The third fact is that the development of large-scale enterprises operating on a nation-wide basis has meant that the distribution of the higher income brackets and the larger volumes of corporate profits is not even as between provinces but shows a heavy concentration in those provinces containing our large metropolitan centres. This has meant that large amounts of income and profits which are in a sense partly earned in several provinces throughout the country can be effectively taxed only in one province.

Most federal countries are faced with this problem, and a number of systems have been devised to meet it. In examining the question of fiscal need it has seemed to us that a system applying a kind of provincial means test such as is used in some federal countries

would not be acceptable or workable in a country with our history and traditions. We want something more objective than a provincial means test.

After examining many possible plans we came to the conclusion that the most generally acceptable means of bridging this gap in Canada between the costs of essential provincial services and the wide variations in the tax potentials available to the provincial governments would be to develop a pattern of tax equalization payments from the federal to the provincial governments.

What we have proposed is a series of unconditional annual payments to the provincial governments which would supplement the yield of certain standard rates of tax applied to the incomes, profits and inheritances or successions in a province so as to bring this yield up to the yield of such rates in the wealthier provinces.

This matter was discussed and illustrated at our October meeting. We received representations following that meeting and gave them very careful consideration, and we have recently forwarded to all the provincial premiers a definite proposal. We will expect to receive their views with respect to this proposal, and we expect that there will have to be legislation to provide for this plan being implemented.

There will also be legislation dealing with most of the matters referred to by the Leader of the Opposition in his speech. With respect to his suggestion as to the pipe line, for instance, the appropriate time to explain the government's policy in that regard and the reasons for that policy will be when the legislation is brought before the house. The same will be true with respect to the proposed legislation to deal with the wheat situation in the prairie provinces.

I may say that, as set forth in the communiqué that was issued after the October conference, we stated that we would give careful consideration to any special project for the development of resources that any provincial government might wish to have us consider. The hon. gentleman has suggested that some day there will have to be some general policy of co-operative development of natural resources between the federal and the provincial governments. That is probably inevitable, but there are provinces that are very jealous of their responsibility and right to control in their own way the development of their own resources. The federal government, deriving its funds from taxation of the whole population of the country, has to be careful that any recommendation it brings to parliament for the application of those funds raised from general taxation throughout the country is equitable to all the provinces.

There is one thing, I think, that has been developing as rapidly as has our industrial expansion. That is the spirit of national unity in this country. We are becoming a Canadian nation, and we have to be very cautious that we do not attempt to move too rapidly and that all the moves that are made are conducive to the growth and development of that national consciousness and that spirit of solidarity between our people from one ocean to the other. It is against that background that all our proposals that can have any bearing or effect upon the growth of that national consciousness are developed and implemented.

The hon. gentleman referred to other matters that he has suggested at previous times, and that will probably be debated again at other times. I know that for many years he has been suggesting that if Mr. Hoover would only come over here and preside over a commission to investigate the effectiveness of our forms of government administration it might be very helpful to the Canadian people.

Mr. Drew: Mr. Speaker, I know the Prime Minister has made that remark lightly but I would not wish *Hansard* to carry the recorded statement that I had suggested that Mr. Hoover be brought here. I never have and I never would. I believe we are fully competent to deal with our own affairs.

Mr. St. Laurent (Quebec East): I used that name, Mr. Speaker, because Mr. Hoover did preside over the kind of commission in the United States that has been suggested here. I did not use it to designate the former president of the United States as an individual but merely as an illustrious example of the kind of chairmanship the Leader of the Opposition had in mind for that kind of commission in our own country. But we now have a commission, which the hon. gentleman has qualified as a very good commission, investigating the economic prospects of the Canadian people. The chairman of that commission has in the past also given us valuable assistance in special examinations into the efficiency of certain branches of the Canadian administration. It may be that when this work he is now on is terminated he will be available for further service to the public. I know of few as public-spirited Canadians in our population willing to devote so much time to the service of their fellow citizens.

In spite of all the problems that face us at the present time I am confident that, as in the past, ways and means will be found to overcome them which will keep this country

what many times in the past it has been described to be, and as I hope it will be described many times in the future, one of the bright spots in the world in which to work and to contribute to human progress.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I want to join with the Prime Minister (Mr. St. Laurent) and the Leader of the Opposition (Mr. Drew) in congratulating the mover and the seconder of the address to His Excellency. I think it was peculiarly fitting that a lady should have been selected to move the address on this occasion, particularly as the one piece of new information in the speech from the throne was that as far as the federal authority was concerned, henceforth women who were doing the same work as men should receive the same remuneration.

I noted that the Leader of the Opposition and the Prime Minister spoke of the efforts that have been made to secure that end in this house over the last three or four years. I think they overlooked this fact. I have been here for 20 years, and all of the ladies who have sat in this house over that period and long before I came—one, for example, was Agnes Macphail—urged on the government of Canada the adoption of this particular policy. On this occasion I do not think the work that was done by other ladies in former years should be overlooked by the house.

As one examines the many areas in which the speech from the throne has failed to deal effectively with issues confronting Canada, there is no conclusion to which one can come, in my opinion, other than that this government should be brought not only before the bar of this house but before the bar of public opinion as being not only bankrupt in ideas in many respects but bankrupt in policy. I cannot deal with all the matters with which I should like to deal, including, for example, a national health program. I shall therefore have to confine myself to just a few of the matters that I think concern the house and the country.

A moment ago I referred to the government as being bankrupt in policy. Nowhere is this bankruptcy more clearly indicated than by the manner in which the government has failed to bring down a policy which will meet the needs of the farmers, particularly the western farmers, in the desperate cash position in which they find themselves at the present time. In spite of the fact that an abundant crop had been harvested in western Canada—and incidentally it is a crop that is of very fine quality—the virtual breakdown in the distribution of that crop from the producer to the consumer means that the farmer is unable to deliver grain to meet even the most immediate living expenses and the cost of his farming operations to produce that crop. Indeed at January 4, four months after the harvest, fully three-quarters of the delivery areas were still on the initial unit quota or the one bushel per specified acre quota. But in the face of this situation the government disregarded the overwhelming majority of western farmers who favoured cash advances for farm-stored grain, as we in this movement have advocated consistently and as has been adopted as a policy by others in this house and in the country. All the government has done is bring down a policy of forcing farmers to try to obtain loans from the banks. In doing this the government is doing something that was found to be completely inadequate in 1951 and something which fails to meet the problem now when the situation is, if anything, worse than it was four years ago. Inadequate, cumbersome and bound with red tape from beginning to end, this policy has undoubtedly raised the farmers' resentment throughout the prairie provinces.

Announcements by the Minister of Trade and Commerce (Mr. Howe) as to what the program meant have been completely belied in many cases by the actual administration in the field. For instance, in the first few weeks of the program it has been found in many cases that in place of the maximum available loan of $1,500, even if sufficient grain were available to entitle the farmer to that loan, the amount that in practice the farmer could borrow would be less than $200—indeed, on a quarter-section farm it would be even less than that—after a meagre two-bushel delivery was completed.

All of this seems to justify the statement I heard made about the government's bank loan policy—and it was one of the farm leaders who made it—namely that it is the greatest hoax ever perpetrated on western farmers. The evidence is clear that if a farmer had obtained credit standing at a bank, he did not need this legislation; and furthermore, if he could not obtain a bank loan under ordinary circumstances, he was not likely to get one under the government plan. The farmer has been justifiably annoyed at the prospect of paying 5 per cent interest when, as the Leader of the Opposition said this afternoon, other organizations are getting funds at 3½ per cent. The farmer is paying 5 per cent interest on what amounts to his own money, and in effect is paying 5 per cent because of the government's failure to adopt policies that would move wheat into world markets in sufficient volume. I am speaking of a policy over a period of time.

On all these counts the strongest criticism is justified. Yet the government remains blind to the situation. Certainly the Prime Minister surprised and shocked many people last fall when, in response to the telegram from Premier Douglas of Saskatchewan calling for cash advances on farm-stored grain, he replied that there were only relatively small numbers of farmers who required assistance. It reminded me of the Prime Minister's response at the conclusion of the last session on July 27, 1955, when I asked whether the government was going to take any action to assist the farmers of eastern Canada who had suffered an anticipated loss of $200 million as a result of the severe drought. It is true that the loss fortunately was not that great. At that time the Prime Minister replied that he found it difficult to believe these reports from the looks of things. That was an attitude on the part of the government that I thought was curiously remote, cold and unsympathetic. The same attitude has been all too clearly revealed on the question of cash payments to western farmers.

Mr. Speaker, I want to say emphatically to this house that we in this party do not share that attitude, and that we cannot be silent while something is being done which is as wrong in principle and as inadequate in practice as is the government's policy on guaranteed bank loans to prairie farmers. Nothing less—and I want to make it clear we have been suggesting this for a long time—than a program of cash advances on farm-stored grain of up to 75 per cent of the initial price on the full anticipated quota will suffice to bring the western farmer out of the very real financial crisis in which he finds himself as a result of his inability to dispose of his grain. When I say "quota", I mean at least the amount of wheat he will be expected to deliver on a quota during this crop year.

This is not a plea, and I want to make this clear to those members who are not from western Canada but are from other parts of Canada, for a handout, nor is it a request for a subsidy but a request for an advance payment on grain which the government will market through the wheat board. A few moments ago the Prime Minister said the wheat board had not been established to make payments of this description to the farmer. Perhaps it might be argued also that the wheat board has not the necessary funds to undertake that job. But the government has the obligation, I believe, to amend the wheat board act so the wheat board may have that power, and to appropriate sums of money adequate to enable the wheat board to make these advances.

In the speech from the throne there is a paragraph which foreshadows an expenditure by this government, with the Ontario government, which may amount to $150 million and which in effect is an advance to a private corporation for the building of a pipe line. This is not a private Canadian corporation but a private corporation which is controlled by the Tennessee and Delhi oil companies of the United States. I say if that can be done for foreign speculators in gas in this country, it could certainly be done for the farmers of Canada.

Because of that feeling on our part, I am going to move an amendment to the amendment moved by the Leader of the Opposition (Mr. Drew). I move, seconded by the hon. member for Vancouver-Kingsway (Mr. MacInnis), that the amendment be amended by inserting therein immediately after the words "serious national problems", the following words:

—including their failure to provide cash advances on farm-stored grain, equal to not less than 75 per cent of the initial price, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces.

The amendment as amended would read thus:

We respectfully represent that Your Excellency's advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national problems, including their failure to provide cash advances on farm-stored grain, equal to not less than 75 per cent of the initial price, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces, and their disregard of the rights of parliament, are not entitled to the confidence of this house.

There is another financial crisis, and a long continuing one, which confronts agriculture as a whole. During the past four or five years particularly, the farmer's costs of production have steadily risen while the prices he has received for his products have steadily dropped. For instance, in August, 1951, the index of farm prices stood at 294·3. By August of last year it had gone down to 225·9, a decrease of almost 25 per cent. At the same time the index of farm costs had risen from 237·7 in August, 1951 to 241·3 in August of 1955. Of course, those official figures are taken from the bulletins that are issued by the department presided over by the Minister of Trade and Commerce.

The price of agricultural products has declined, and according to the government's own departmental advisers this drop is expected to continue. For example, at the recent federal-provincial agricultural conference it was predicted that farm cash income in 1956 will be approximately the same as that estimated for 1955. It was pointed out that the prices for oats, barley and rye

had fallen sharply in recent months. Departmental officials estimate the prices for cattle and calves will likely fall in 1956, as well as the price for hogs, which incidentally recently fell to the support price level. They expected no increase in the amount of grain farmers would deliver in 1956. That is hardly an optimistic picture, but is one that has had, and will continue to have if correct, a profound effect not only on the agricultural part of our economy but ultimately if allowed to persist on the whole economy of Canada.

This is something the government should bear in mind when deriving satisfaction from the increase in the gross national product over last year. We are told that estimates run from something like a 9 per cent increase over 1954 for a total of $26·16 billion to another figure that is sometimes given of $26·4 billion. But does this indicate the true picture? In my opinion it does not, for those figures should be looked at in real terms. Let us, in other words, squeeze the water out of those figures to see what they look like when we have eliminated the effect of inflation for which the government has been responsible over the years.

I notice the Minister of Finance (Mr. Harris) shakes his head. I am not forgetting that during the war years I heard people very closely identified with the public service of this country say that after the war was over, with the high expenditures and large public debts we had accumulated, a little inflation would be a good thing and would enable the government to collect more in taxes and pay off some of those accumulated debts. Expressed in terms of 1935-39 dollars the gross national product in 1955 ranges from approximately 12·8 billion of those dollars to 12·9 billion of those pre-war dollars, depending on which of the two estimates one uses. In other words, when expressed in pre-war dollars the gross national product is less than half the value when expressed in present-day inflated dollars.

This is not yet the final step in arriving at what is the true picture for the average Canadian citizen. In order to compare Canadian production over the years we must remember that Canada's population has been increasing and these figures should, therefore, be expressed on a per capita basis. Canada's population at June 1 of last year was estimated to be 15,601,000. Applying that figure we estimate the gross national product in real terms on a per capita basis for 1955 is likely to range from $818 to $826. Even the highest of those estimates is barely 1½ per cent higher on a per capita basis than the per capita share of the gross national product of 1944, and certainly explains why the average Canadian does not feel as prosperous as the government says he is. Indeed, it portrays an average annual increase in per capita gross national product of only one-tenth of one per cent over 1944. which in view of the increase in productivity year by year by an estimated 2·5 per cent is to say the least an astonishing reflection on federal government policies. Of course there was full employment in 1944 and this year, in spite of buoyant conditions in many industries and the enormous increase in the profits of many great corporations, there were still 230,000 unplaced applicants as at November 17, 1955, the latest estimate. It is true that is substantially lower than last year, but it is still much higher than human needs justify.

Now, year by year it is clear, some years more than others, that we bear the cost of this failure to plan consciously for full employment in the only way in which it can be done over the years, by the consistent application of a program of public investment and public planning, based upon the need for tremendous expenditures on highways, schools, hospitals and other forms of social investment.

This afternoon I paid particular attention to one of the closing paragraphs of the Prime Minister's address. He said the time might come when the federal government and the provinces co-operatively would have to play a bigger part in the development of our resources. I was glad to hear him say that because I believe the time has come when that should be undertaken; when through a public investment board, perhaps with a public investment authority, the savings of our people might be directed into desirable channels, that we might plan and use our resources in a planned way for the benefit of all our people, even if it requires, as I think it will, the extension of public ownership and socialization in this country.

I have referred to farm income and the unemployment situation. Basic to a high level in both these sectors is a solution of the fundamental problems of Canadian trade, which I shall refer to in a moment, and which I think the government has failed miserably to solve. For certainly the government has been content to adopt a wait and see policy, a policy that would have been disastrous in wartime and which I believe might be equally disastrous in peacetime.

With regard to wheat, it is clear that only a crop failure will enable the government to solve the problem if, of course, it maintains its present policies. The C.C.F. on its part, however, attacks that economic concept which

regards abundance as a tragedy and which welcomes scarcity and does nothing to relieve it. Yes, nature was generous last year, and I say that instead of showing concern we should be rejoicing. It is my view and that of my colleagues that abundance should be met with a determination to use it to meet the needs of people wherever they live. Yet even in Canada we read of people starving in Toronto, or at near-starvation level. While wheat is piled high on the western plains and butter stocks are the largest in our history, there are large numbers of our people who are undernourished and underfed. When some scheme should be devised to enable those people to get the butter, we have to sell it at from 25 to 29 cents a pound below the domestic price to countries behind the iron curtain. We do that rather than dispose of it to our own needy citizens.

Also, out on the broad reaches of Asia, Africa and Central and South America, and even in Europe, there are people without enough to eat, while here surpluses pile up. We must remove that tragic contradiction from our national fabric and from the international scene. I say rather than leave these surpluses to pile up as a glut, it is far better for some of this food to be used as part of our defence program to feed the hungry peoples of the world and improve their standard of living as the only way in which the totalitarian doctrines of communism or fascism can be effectively countered or eliminated. Mr. Speaker, this is a federal responsibility, and this at least is a responsibility that cannot be sloughed off on the province of Quebec, the province of Ontario, the province of Saskatchewan or on any province of Canada. Trade and commerce are under the jurisdiction of this parliament of Canada.

I say the government has failed to recognize that failure to sell wheat and a number of other commodities in sufficient volume is not owing to the abundance with which nature provided us, nor the entry of the United States into our normal markets on a large scale, though undoubtedly that was a factor, but is related to the vast and, we are told, ever-widening gulf between the standards of living of the privileged and underprivileged sections of the globe and the chronic shortage of dollars with which to buy those commodities.

The long-term solution requires a vast program of development in the underdeveloped parts of the world, and we ourselves feel the effects of the lack of such a policy in our own trading relationships. I am happy to see that the government is going to increase the amount that is to be allocated to the Colombo plan. But after all, that amount is relatively very small indeed, and will not amount to more than the cost to be borne by our government to pay the storage on grain over and above the normal amount of storage that the elevators have to use in a normal year. If we take all the grain in storage in elevators and elsewhere, it is considerably less than that amount. At 10 cents a bushel it will cost the elevator companies and the wheat board together, as the grain marketing organizations, something like $50 million.

There are a number of suggestions in that regard that I intended to make but I must now turn to something else; therefore I am going to leave it at that point.

As far as our marketing is concerned, we find the dollar problem arises out of the imbalance as between the amounts the dollar area exports as compared with the amounts it imports. As a matter of fact, as far as Canada is concerned it has meant the loss of the British market for one after another of its products, like cheese and apples. The acceptance of sterling and other currencies in part payment of our exports, as we have suggested from time to time, would not by itself solve this problem, and we are not suggesting that we should take full payment in the soft currencies for our exports; but it would mark a necesary first step by acting as a spur to encourage them to buy from us and for Canada to use that newly acquired sterling or other currency to buy in the commonwealth or other areas and thus eliminate to some extent our extraordinarily heavy dependence on imports from the United States. Yet the government, instead of seeking on its part to correct this imbalance, has since 1947 clearly followed a decision to link the Canadian economy inextricably to that of the United States.

For instance, while before the war exports were divided more evenly between the United States and the United Kingdom, today we depend upon the United States for export markets almost four times as much as we do to the United Kingdom. As far as imports are concerned, a similar pattern reveals itself; for while in the 20 years before the war less than two-thirds of our imports were from the United States, today the proportion has risen to almost three-quarters. On the other hand, before the war imports from the United Kingdom were almost one-fifth of our total, and now they are only one-twentieth.

We in this country must also face up to the effect this policy will have not only on our trade but on the whole field of economic and political policy. The government should seriously consider the implications that the concentration of our trade in the United States may have on the very independence of this

country. I suggest this not in any narrow spirit but out of the profound conviction that this Canadian experiment on the northern half of the North American continent has something to offer the world at large, something which would be lost if the Canadian voice became merely an echo, which it has been all too frequently, of the larger and louder voice of the United States.

The increasing United States dominance in Canadian industry is a matter of legitimate concern. I am sure this concern is shared by Canadians everywhere. However, I would say immediately that I have the most profound respect and the highest regard for citizens of the United States as citizens, but I do object to and I fear, and believe the vast majority of Canadians will agree with me, the vast power of huge United States corporations in the Canadian economy and hence some time or other perhaps in our political life.

I say this feeling is shared by many Canadians. I have here a report which appeared in the Montreal *Gazette* of an address given on December 14 last by Mr. James Stewart, president of the Canadian Bank of Commerce. Mr. Stewart said:

> Canadians are increasingly expressing concern about foreign control over their country's industry.

He then went on to elaborate. More significant still, I have here a copy of the script used by the ambassador of Canada at Washington when speaking to the New England export club at Boston, Massachusetts, on October 17, 1955. Anyone who reads Mr. Heeney's forthright speech to that organization can see the same ideas which I am expressing at this moment. I presume that since Mr. Heeney spoke as our ambassador probably the script was vetted before he used it in Boston last October. For example, he points out that in 1952 about a quarter of Canadian manufacturing, mining, smelting, petroleum exploration and development industries, Canadian railways and other utilities, taken together, was owned in the United States. He said:

> I have no reason to believe that today's figures would show this situation to have shifted substantially to the Canadian side.

If I have the time I will produce some figures to show that there has been a vast increase since 1952 in this control, and will back up that statement with figures from the official records. I find the same thing in an editorial quoting extracts from an address by Mr. G. Edward Hall, president of the University of Western Ontario, speaking to the Boston conference of distributors. I should like to quote a good deal of this speech, but I shall quote only one paragraph, which is as follows:

> The term Canadian, associated with a company name, should be significant and meaningful. It should imply its stock is available to the Canadian public, that it is listed on Canadian stock exchanges, that its financial statements are made public and reflect only the Canadian operations, that the dividends are payable in Canadian funds, that, as one enlightened American company put it, "our company is not just an American company doing business in Canada, but rather is a company jointly owned by Canadians and Americans doing business in both countries."

Many of our so-called Canadian companies have become more and more not merely subsidiaries of United States companies and corporations; they have become parts of United States corporations and companies. To the extent that this has happened I think it has become a danger.

I said I would try to give a few figures to show what this actually means. United States direct investment in Canadian companies has more than doubled since 1945, climbing from $2·3 billion to $5·7 billion in 1954, while in addition portfolio investment, other than government and municipal bonds, has climbed to $1·8 billion in 1954.

As a proportion of industries and merchandising—manufacturing, mining, smelting, petroleum exploration and development, steam railways, other utilities and merchandising—United States-owned direct investment has climbed to 24 per cent in 1951 and to 25 per cent in 1952, the latest year for which official figures are available. That is an indication of what is happening. Then if we turn to the manufacturing industry we find that the proportion of United States direct investment has climbed sharply from 33 per cent in 1950 to 36 per cent in 1951 and 38 per cent in 1952. In mining, smelting, and petroleum exploration and development it has climbed from 39 per cent to 53 per cent in the same three-year period.

Even this is not the complete picture, for in addition we must add portfolio investments held by United States individuals and institutions. In 1952 they totalled $1·4 billion. Assuming the same type of distribution as in direct investment we find an additional 10 per cent of capitalization in manufacturing industries must be credited to United States sources, which brings the total up to almost 50 per cent. We might well ask how much larger this figure may grow before we shall have lost effective control of our own destiny. If we lose effective control of our economic destiny how long shall we hope to retain effective control of our political independence?

In the field of trade we find that many significant decisions concerning Canadian

economic life are made outside of Canada, that many Canadian firms which are subsidiaries of United States companies buy in the United States from their parent companies or buy from firms with which their United States parent has also entered into contracts, thus placing obstacles in the way of the diversification of Canadian trade.

Should we then not insist that more of our own resources should be used in this country? Not long ago I read in the Montreal *Gazette* a statement made by John C. Doyle, president of Canadian Javelin, which referred to what he called the most valuable and largest iron ore deposit in the world in Labrador. He referred to talks which were going on between the company and United States steel and iron ore interests, and he seemed to suggest that it would be only a matter of time until the company was taken over lock, stock and barrel, as he put it, by United States concerns.

Of course we know what will happen. This iron ore will go down on the railways which are being built to the sea, it will be put into ships and go to the United States. Then it will come back to us in the form of expensive fabricated steel for use in Canada. Why should not we do what we have done in regard to gas and insist that at least a percentage of the iron ore in this country should be utilized by Canadian foundries giving employment to Canadian workmen? If necessary the government of Canada should undertake, as it did so successfully in connection with the artificial rubber plant, Polymer, the establishment of a steel industry under public ownership and public control. When we notice the extraordinary steps which the federal government, and it appears the Ontario government also, have been prepared to take to avoid having the trans-Canada natural gas pipe line come under public control and ownership from beginning to end, we fear that they will not undertake such a plan even if it were intelligent and feasible as it is.

We believe that great enterprises of this magnitude should have public control and public direction. However, I am not going to deal further with the question of the gas pipe line project because, as the Leader of the Opposition has said already, as well as the Prime Minister, legislation will be brought before the house. I do not know that the government need be precipitate about that, because when I look at the representations which are to be made before the federal power commission of the United States and read the accounts of what is likely to happen there I do not think there need be any hurry as far as this parliament is concerned, because we are not likely to see permission given by the federal power commission in the United States for the importation of gas into that country under this project in the next one, two or perhaps three years, if ever.

It is our profound conviction that the development of many great national projects should be participated in by all Canadians so that the wealth that is our heritage may be shared by the community as a whole. To do this the government must initiate a massive program of public development of the vast resources at Canada's disposal.

One other aspect of our national resources I should like to deal with briefly, because I have only a few minutes left to me now; that is, that we have failed to provide educational opportunities for our young people. The Ottawa *Citizen* of January 5 of this year had this to say:

> In the United States, alarm at Russian competition is an increasingly influential factor in the demand for greater aid to education. The most recent voice raised in warning is that of Dr. John R. Dunning, dean of engineering at Columbia, who declares that "no high school anywhere in our country has even one-half the Russian requirements in mathematics, science, physics or chemistry." Dr. Dunning asserts that the Russians are graduating more scientists and engineers than American universities are.

Just last month Lewis L. Strauss, chairman of the atomic energy commission, reported that colleges and universities are providing less than half the scientists and engineers the United States needs. I am told that the situation is no better in Canada and may even be worse, yet again here the government has failed to provide imaginative leadership.

Indeed, the failure again of the throne speech to make any mention of the Canada Council is, I think, sufficient proof of that statement. The refusal to launch a national program of scholarships as part of the Canada Council project means yet another tragic postponement of the development of Canada's human resources.

Even in the United Kingdom, where today no child of ability can be denied a high school and university education because of lack of funds, we learned from the interesting address to the Ottawa Canadian Club yesterday by Mr. Norman Smith—I regret that I was unable to listen to it owing to another engagement, but I read it in the Ottawa *Journal* last night—the following:

> Sir Winston Churchill, in his first major speech since the general election, said last month: "The behaviour of their leaders must not lead us to suppose that Russian power and capacity are not growing in many other directions. Technological education is an all-important subject in which

Great Britain has allowed herself to fall behind. We are already surpassed by Russia on a scale which is most alarming."

If that is true of Great Britain it is even more true of our own country and, if we can believe the statements I quoted from the United States, true of our great ally in the democratic cause.

I began by saying that I believe that the throne speech indicates clearly that the government has shown itself to be not only bankrupt in ideas but bankrupt in policy. I have been able to deal only with the plight of our farmers, some effects of inflation and of our trade policies, as well as the growing threat to the Canadian economic—and perchance political—independence through the failure of the government to take effective steps to safeguard our own economy. Latterly I have pointed out the failure of the government to take effective steps in the provision of opportunity to young Canadians through educational facilities to equip themselves to meet the growing demands made upon our schools and universities by industry and by our economic and social development.

I have, I believe, shown that the statement I made when I began to speak can be fully substantiated by an examination of government policy or, shall I put it this way, by the failure of the government to formulate policies to meet the needs of the Canadian people in 1956.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I wish also to follow the traditional practice of congratulating the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I congratulate them on the honour which has been bestowed upon them in being selected by the government for this honoured duty. Naturally, of course, I cannot very well lean over backwards and congratulate them on the subject matter of their speeches because almost their entire subject matter consisted of laudatory remarks paying their respects to the government which they naturally believe is doing a tremendous job but which other members of the house, including most of us on this side, would say has not been so well done.

Might I say at the outset that we are all aware of the illness of the national leader of the Social Credit party. For this reason it is impossible for him to be here today. I believe this is the first opening of a session of parliament which he has missed in his rather long and somewhat distinguished career. It is the first time he will not have the privilege of taking part in the debate on the speech from the throne. He wishes me to express on his behalf his very sincere thanks to many of his colleagues in the house for the kind inquiries that so many have made both personally and by letter and other means of communication, and for the expression of their hopes that he will experience a complete recovery. I may say that he is doing remarkably well and that it is anticipated by his doctors that he will experience a complete recovery. It is expected that he will be back with us in the not too distant future.

The Social Credit party in Canada has always stood on what we believe to be good, sound, basic principles of life. Some of these principles we regard as very precious, very dear. We believe in the dignity of human personality. We believe that man is in fact the greatest of all God's creations. We believe that mankind was created free and should remain free, and that his freedom should be protected at all times. We believe too that the Creator who created us all has also provided for man's every welfare. We believe therefore that the administration of any nation should be done in such a way as to preserve the freedom of man and at the same time give him security to enjoy the good things of life without interfering with his God-given freedom.

We propose what we believe to be a scientifically sound economic policy which, if applied to the problem of distribution, will give to the people of this and other countries an abundant life while at the same time retaining for them their freedom to enjoy peace, prosperity and contentment. We have a phrase that we use quite often and which I am afraid others have to some extent copied from us, that that which is physically possible and desirable can and should be made financially possible.

In spite of the indications in the speech from the throne that Canada is enjoying a measure of prosperity, the fact remains that Canada, and western Canada in particular, is experiencing a situation which is almost comparable to that of the hungry thirties. There exists on the prairie provinces what might be stated to be starvation in the midst of plenty. This is something that no government should be very proud of. In fact when the over-all economic situation is reviewed and we find that such a vast industry as agriculture, not only as it exists in western

Canada but as it exists from one coast to the other, has to go through a period of time which is almost a duplication of the hungry thirties, then we cannot say that the economy of Canada is healthy by any means.

What is the situation, particularly in western Canada? The leader of the opposition party mentioned something about that this afternoon. The leader of the C.C.F. expressed himself along the same line. We have a situation here where those who are responsible for the production of the foodstuffs of this country find themselves, while having a reasonable amount of assets, with no cash. When I say "no cash" I mean just exactly that. Some of them find difficulty in getting the very bare necessities of life.

It has been said over and over again in western Canada that the only reliable income is that received from family allowances, pension cheques and war veterans allowances, and it is said that this money is about the only money that is keeping things going in western Canada at all. Yet we have this situation of a depressed agriculture in the midst of plenty. While having assets and while being responsible for the production of these life-giving products of the country, our farmers have to suffer.

This problem is not only that of the grain that is grown in western Canada. The same problem of what is almost starvation in the midst of abundance exists in the east. There is still the problem of the distribution of the abundance of foodstuffs other than grain. We have surpluses of potatoes in New Brunswick and apples in Ontario, New Brunswick and Nova Scotia. We have heavy stocks of butter throughout all of Canada and of cheese in Ontario and Quebec.

Farmers all over the Dominion of Canada are caught in a sort of cost-price squeeze. The prices of farm products are continuing to decline while the costs of the things which the farmers have to buy continue to go up. Farm cash income reached its peak in Canada in the year 1951, but it has been on the decline ever since that time. The aggregate cash income of all the farmers of Canada last year was $1,200 million less than it was in 1951. That is a serious situation, and one which has been allowed to develop in our country right under the eyes of what should be a responsible government.

In 1954 the farmers made up 20 per cent of Canada's total population, but they received less than 10 per cent of the national income. As I was discussing the matter with him a few hours ago, one of my colleagues stated that he had heard that the figure was about only 8 per cent of the national income. Considering the great service rendered to Canada and all its citizens by the farmers of this country, we maintain that this is shabby treatment indeed.

Let us remember that agriculture is the basic industry in Canada. Without agriculture people do not eat. Without agriculture people will have nothing to wear. Without a prosperous agriculture we cannot have a prosperous Canada. About 50 per cent of Canada's population lives in the towns and the rural areas. All these towns are contiguous to and are reliant upon agriculture for their very existence. It is in these small places that farmers get their groceries, repairs, clothing, household equipment, machinery, fuel, medical and dental services and such like. When a dollar is received by a farmer for some of his production it starts its way through a circuit which takes it through the service centres on down through the small businessmen in these small communities, right down to the great factories that make the things which the farmers want to buy. Consequently when a dollar starts on its way from the farmer it immediately creates a series of business transactions.

The hon. member for Peace River (Mr. Low), the leader of the Social Credit party in Canada, has calculated that the dollar turns over about seven times as it circulates on its way back to its point of origin. Mr. Speaker, just put this process in reverse, in other words just short-change the farmer, and you will have just seven times less business being done. If business declines seven times, no wonder we have surpluses; no wonder we have what might be tantamount to starvation in the midst of plenty.

This government, Mr. Speaker, has now been in power for over 20 years, and throughout those 20 years it has sounded praises of its own efficiency and of its policies. I have really never been able to determine what its policies are; they change so often according to the particular political complexion of the country. As I say, the government have been in power in this country for 20 years. They therefore must take the blame for any blunders of the past. Surely the experience of the hungry thirties should have been enough for the government to exercise sufficient foresight to prepare and to adopt such policies—shall I say such financial policies—as would distribute our vast peacetime abundances.

Mr. Speaker, the government has blundered. I am going to take you back a few years and indicate to you where they made perhaps one of the biggest blunders of this century. That was in the signing of the Bretton Woods agreement, which this group opposed from

the very moment it was brought forward in this house. We were a small group. We attempted a sort of small-scale filibuster. I do not know how long that filibuster would have gone on had it not been for the fact that parliament was approaching the Christmas recess, when everything tended to close down parliamentary operations.

We opposed that agreement. We fought it tooth and nail. We were the only group in this house that opposed it. Both our Conservative friends and our C.C.F. friends voted for its adoption. I believe I am correct in saying that perhaps there was one gentleman in the Conservative party in this house who voted with us. I may have to stand corrected, but if my memory serves me rightly it was the venerable Mr. Tommy Church.

What effect has the Bretton Woods agreement had on the fiscal policies of nearly all governments, and what effect has it had on the trading nations of the world that signed that agreement? In this respect I think I should like to quote from a broadcast that was made by the hon. member for Peace River, the national leader of the Social Credit party. This broadcast was given over station CKYL, Peace River, on Tuesday, November 22. This is the part where Mr. Low refers to the Bretton Woods agreement:

> . . . our federal government fell for the Bretton Woods plan in 1945. The plan was drafted and proposed at the Bretton Woods conference in New Hampshire by Harry Dexter White, a communist who wormed his way into a high position in the treasury of the United States . . . It placed upon debtor nations the obligation of balancing their trade with the creditor nations by payments in the form of gold or United States dollars but it did not place upon the creditor nations any such obligation. Its net effect was to place all the nations who became parties to it under a world-wide gold standard. Bretton Woods came up for ratification by the Canadian parliament during my first session at Ottawa in 1945. After the most careful study of which I was capable I advised the federal government when I spoke on the floor of the house not to become a signer to the agreement, because I was quite sure I saw that it would cause widespread dislocation of trade that would hurt the debtor nations especially, nations like Great Britain. I saw also that the United States was bludgeoning Great Britain into signing the agreement by making that the price of a very large loan to Britain. I fought the proposal with all my might, but in spite of our opposition, the federal government ratified it and immediately came under its terms.
>
> From that day in the late fall of 1945, Canada sat back and demanded gold or United States dollars in payment for our exports. Britain and some other countries who had been our traditional markets for many years did not have gold nor United States dollars, hence they couldn't buy from us. Britain therefore turned to other countries to obtain her foods and some other necessities. They turned to Russia and China for grains and lumber and soya beans because those countries were ready to exchange those things for goods which Britain could supply them. Right from 1945 my colleagues and I in the House of Commons pleaded with the federal government to offer to supply Britain and other countries our surplus food products, our lumber and other things in return for what they could send us in goods; or if they could not yet manufacture or produce sufficient goods to pay us with, we should be prepared to accept the only other thing they had—their own currency. Our government was not prepared to do so. Consequently, Canada lost some of the best of the markets we had enjoyed for many years, markets we could very well have today. Our government was not prepared to use the escape clause in the Bretton Woods agreement, and as a result trade was dislocated exactly as we said it would be.

Now, Mr. Speaker, much has been said in the last few months about the fact that the United States of America has been following a sort of give-away program. The fact is that the United States of America accepted and took advantage of that escape clause, and were able to go out in the world and offer their surplus agricultural products to those who would take them. When he was speaking along these lines some few weeks ago the Minister of Trade and Commerce wept some crocodile tears when he said that the United States, with their vast surplus of agricultural products, had not stayed within the Bretton Woods agreement and because they had adopted a sort of give-away program they had upset all the normal channels of trade.

Personally, Mr. Speaker, I find it very difficult to criticize the United States government for the way they have handled their surplus production. They set up the commodity credit corporation to take over all agricultural products which were in surplus. The farmer was paid for them and was reasonably satisfied. They piled up billions of dollars worth of surplus agricultural products. Then they looked around at the world and said, "Do you want these agricultural products?" Is there any harm, I ask, in a nation going out and asking if other nations want to be fed?" That is exactly what they did. The other nations said, "Yes, we will take these agricultural products," and the hungry peoples were fed. I find it very difficult to criticize a government that will take surplus agricultural products from the farmers, reasonably satisfy the farmers by paying for them, and then turn around and see that they are distributed to the peoples of the world who need them. I find it very difficult to criticize a government for that sort of action.

It is obvious that the present government of Canada looks upon the surplus foodstuffs in Canada as a sort of calamity. I wonder, Mr. Speaker, if you noticed carefully the

reading of that paragraph in the speech from the throne that deals with this particular matter. It says this:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

Now, notice that. This high level of prosperity, which the government calls "increased well-being", was not fully participated in by some sectors of the economy.

> In particular, although sales of wheat in the past five years have been at record levels—

They do not say what they have been for the last year or two.

> —an unprecedented series of bumper harvests has made necessary the storage of abnormal stocks of grain both in elevators and on farms.

Let us analyse that paragraph. Putting it another way, you might just as well say this. Canada has enjoyed, on the whole, a high level of prosperity but the farmers of this country who have produced the foodstuffs which make for the well-being of our people have not been able to enjoy the well-being that they have brought about. You might just as well put it in that fashion. The farmers cannot enjoy this well-being because they have produced so much. Now, how can too much be a tragedy? Surely that should not be a tragedy. The tragedy exists in policies that are being pursued by this government which make the distribution of this vast abundance of foodstuffs impossible; that is the tragedy and that is the calamity.

Surely the criterion of the well-being of a nation should be its ability to produce, and surely any policy pursued by the government—and since money is the medium of exchange it must be financial policy—should be applied to the distribution of these foodstuffs. I believe I heard the Minister of Finance, or it may have been his predecessor, state on one occasion, "We believe that which is physically possible can be made financially possible". Well, it was a nice slogan to accept from us, but evidently this government has not succeeded in working it out. We are able to produce the foodstuffs, but because of the financial policies being pursued we are not able to distribute them.

The Social Crediters of this country, this party to which I have the honour to belong for a good many years, are in the position of advocating financial proposals which would be geared to the solution of what some might term the problem of abundance. Social Credit has never regarded abundances as a calamity, because that is the great objective of industry. What is industry here for if it is not to produce goods? What is the farmer working his land for if it is not for the purpose of producing an abundance? Our philosophy is that an abundance of the good things of the earth makes people happy and contented, and the proper distribution of the abundances of this earth will do away with all the calamities of war upon war upon war. But until the financial policy is changed we will always meet the problem of distribution, and it will be regarded by governments that are on the wrong track financially as a calamity.

I have only a few minutes of my time left. What are we able to do in the physical world? In my imagination I see a conference room. We call in the scientists. We say to them, "We want you to sit around the table. We are going to lock the door on you and after you have had a conference on what you are able to do, just rap on the door and we shall open it and you can give us your verdict." Well, our scientists gather in there and on the basis of physical realities, on the basis of what they know can be done in this physical world, they rap on the door. We let them out and we say, "Gentlemen, what are you able to do for the advancement of civilization?"

Well, what are they able to do? They will tell you that they are able to travel to the moon. Do not think that is something that cannot be accomplished. Physicists are holding conferences almost every day, discussing and perfecting formulae that have already been worked out to travel to the moon. They tell us that they are able to pick up the sea, transport it over wide areas and cause the deserts of the earth to be flooded so that they blossom like the rose and bring forth millions more bushels of grain, if you please. Is that going to be a tragedy? They tell us they are able to transport the atmosphere of the tropics, take it to the north and south poles and make those areas tropical areas.

We are going to discuss pipe lines in a few days. As for power, they say, "Well, you can discuss pipe lines if you like, but just about the time you get them built we shall have atomic energy here, and gas and oil pipe lines could conceivably be obsolete." Then some of the more advanced scientists say, "Well, don't talk like that. The very moment you get atomic energy to run the factories and heat the homes we shall be able to harness the energy of the sun and by a series of—" oh, they use some technical language that I do not understand—"power stations around the globe, pick up the energy of the sun, absorb the heat and energy, radiate it out, and that will last forever and ever, just as long as the sun is in the sky." We say to the scientists, "Can you do all that?" And they

say to us, "Brother, you imagine it and we shall do it." That is what our modern-day scientists say.

We go to the Minister of Finance and we say, "Mr. Minister, we want you to get your financial brains around this table. We have a simple problem for you to solve. In a nutshell the problem is this. Here are six loaves of bread and here are six hungry men with no money in their pockets. We want you to move these six loaves of bread to these six hungry men." Well, of course, our present problem is this. We have vast supplies of agricultural products. We have people who need them; we have nations who need them, but our farmers who raise the agricultural products, the foodstuffs, have no money in their pockets. "Now, then, you financial wizards of the country, when you are ready with a solution tap on the door, come out and we shall await the solution."

We wait and we wait. Eventually a little faint rap comes on the door. We open the door and they walk out. We look at them. Their hair is all dishevelled and they are bleary-eyed. They look as if they had been on a ten-day toot. We say to them, "Well, what is your verdict; what have the financial brains of this country come up with as a solution to this great problem?" They say, "Yes, we have a solution." We reply, "What is your solution? All Canada awaits it." What is it? They have decided to adopt the Woolworth plan; that is the five, ten and fifteen plan. They have decided to guarantee the banks against loss if they will only lend to the farmers a little bit of loose change at 5 per cent.

Can you beat that, Mr. Speaker? We are able to do everything under the sun in this physical world; nothing is impossible. But somehow or other the government have not adopted and cannot discover any financial policy that they can apply to the distribution of our abundances. And what makes it worse than ever is this. What do the banks do when they lend the money? Well, all they do by right and by power given to them by the laws of this country is simply write the figures in a book and expand the credit of the country. Nobody will deny that, Mr. Speaker. Why, the expansion of credit every time loans are made is money created out of nothing, by the stroke of a pen, and the farmer has to pay 5 per cent to the banks for writing figures in their books. They have to pay through the nose because of a tragedy for which they are not responsible, a tragedy which we must place at the door of the present government, because they refuse to face the reality of the problem of distribution in the midst of plenty.

I could go on, Mr. Speaker, and I have a good many things in my notes here. Opportunity will be given on the legislation that is to come down in future for us to discuss even the wheat situation and the problem of abundances; but I say to you, Mr. Speaker, that there would not be any great problem in Canada if this government faced the realities which can be faced and only faced as they change their financial policies to apply to the distribution of the good things of the earth; for, in the final analysis, those are the things that give life and security, abundance and contentment, and bring peace and prosperity to the nation. If the government does not wish to pursue the right policies, then all I can say to this parliament and to the people of Canada is that they had better wake up and change the government or this country will go down into absolute economic chaos. This is the choice; it is one thing or the other, and the people of this country had better wake up to that one thing.

They are waking up to it here and there and all over. I know something of that because it is my business to learn it. There are two Social Credit governments in Canada. Just one more and you will not stop this party from sweeping this country from one coast of Canada to the other. Just one more provincial government is all that is needed. That is my belief, and it may not take very long to prove that by actual fact. One more government is all we need and we will sweep this country.

An hon. Member: Which government, provincial or federal?

Mr. Hansell: One more provincial government.

An hon. Member: Ontario?

An hon. Member: Prince Edward Island?

Mr. Hansell: Mr. Speaker, I would ask the attention of the gentlemen of my own group. See how the house is hushed when we tell them of our political progress.

An hon. Member: We are waiting for you to sprout wings.

Mr. Hansell: Everyone wants to know which province is going Social Credit next, but I am not going to tell them because I like to keep them on edge. That is part of our strategy.

I appreciate the time that has been given me. We will have more to say about this on another occasion. Those of my group who are to follow me in the days to come during this debate will perhaps amplify what I have said and also bring to your attention and to

the attention of parliament some other salient factors which we believe should be brought to the attention of this country.

Mr. S. R. Balcom (Halifax): Mr. Speaker, may I first congratulate the hon. member for Timiskaming (Mrs. Shipley) upon her most excellent speech in moving the adoption of the address in reply to the speech from the throne, and the hon. member for Bellechasse (Mr. Laflamme) upon his most thoughtful remarks in seconding that motion. The constituencies of both these hon. members must be proud of them. In particular the women of Canada must be happy at their emancipation which was so ably demonstrated by the hon. member for Timiskaming. What has happened confirms the fact that there are now no doors closed to women in business or in the professional and political world. At last women's suffrage has reached fruition.

Mr. Speaker, I am pleased to have this opportunity early in this debate of bringing some matters to the attention of the house, but before dealing with them I should like to commend the decision which has been made to expedite our proceedings. The day to day business of government is work, and we should get on with it as quickly as possible.

The generally optimistic tone of the speech from the throne regarding our economic position is most encouraging. It is in line with official statements of cabinet ministers, heads of important private institutions, banks and business houses. However if you read the fine print in most of these statements you will find that it is recognized frankly that there are major problems to be dealt with. These are sometimes overlooked except by the people directly affected. As long as we are aware of this and take steps to meet them, this optimism is healthy.

It is proper that we Canadians should appreciate our own robust stature and good fortune, but there is some danger that a too-glowing picture may create false impressions abroad and obscure our pathway at home. An eminent Canadian, our ambassador to the United States, referred to this possibility in a recent speech to a United States audience when he said:

> We Canadians appreciate your good opinion. And we, of course, share American optimism and faith in Canada's future. Nevertheless, the very generosity of the praise sometimes makes me uneasy and I am not infrequently disturbed by the more extravagant reports that I encounter. And I often find myself wishing that some of those who express such high opinions of things Canadian were better informed about our people and our economy.

After mentioning some of the problems, he said further:

> I mention these points simply to indicate that we have in Canada no magic formula and that our streets are not quite paved with gold, or even uranium, as some of the stock promoters would have you beileve. Like other countries, we are not without difficult political, economic and social problems . . .

One of these problems is the dominion-provincial relationship about which we shall hear a great deal in parliament and elsewhere. These relations are never static and the need for flexibility in dealing with common problems was never more apparent.

At the confederation table when arrangements were worked out the vision of a great nation prevailed, but future events were but dimly foreseen. It is not surprising in view of the great developments that have taken place that some changes in our thinking are necessary. Rather it is a matter for wonder that the main principles have held good in spite of the stresses and strains and growing pains.

One very important event which took place in our early history was the purchase by the Dominion of Canada of lands held by the Hudson's Bay Company, now the northern parts of Ontario and Quebec. Like the Louisiana purchase by the United States from Napoleon this was a wise move in the building of a great nation, but in Canada the disposition of the lands in the course of time led to the building up of the two large central provinces of Ontario and Quebec. These provinces benefited directly from the addition of very extensive land areas to their territories. Nova Scotia and New Brunswick, the other two original partners at confederation, gained indirectly with the growth of the Canadian nation but lost ground in their relative position within confederation.

At the time these arrangements were accepted the lands were considered to be only wilderness. As the frontiers of knowledge and geography have been pushed back the wonderful storehouse of mineral treasures is now being appreciated and exploited. Here is just one example of how the benefits of nationhood have accrued disproportionately to certain provinces.

You may say that this is now history and that we maritimers may as well accept the facts of geography and history. The lands that were parcelled out as of little value have become a storehouse of wealth and the deal perhaps should be considered closed. The fact remains that the acquisition and the later development of these resources were based on the national credit, the national transportation system and in some cases the national market.

Are the benefits then to be limited to some provinces? Is it too late for Nova Scotia to benefit or to be considered entitled to land in the far northern reaches of this country which some day may produce great wealth or become strategically important? If any in this house think that is so, I would ask them to study the map of Canada hanging in the railway committee room. I am sure they would be convinced that Nova Scotia with so little has done a great deal, and as an original partner of confederation with New Brunswick, should receive the consideration due it.

In our present distribution of taxable wealth as related to the responsibility of the provinces lies a problem affecting our greatest resources, our young people. It is the question of educational opportunities. The financial resources of Nova Scotia, for example, are not such as to support a modern school system and the necessary variety and quality of higher educational facilities as well. This I believe to be true of some other provinces. With respect to Nova Scotia, we are very proud of the advances made in the last year in education, but our resources are not sufficient to make complete provision for higher education as well.

In Canada we do not have the great number of large corporations and wealthy foundations upon which to draw for financial support that they have in the United States. Even in that great country to the south the privately supported universities are having a very difficult time. Statistics published there show that university professors have suffered losses in real income during the past 15 years, a period when most other groups in society have enjoyed a substantial rise in living standards. Put dramatically in an advertisement drawing attention to this situation, it was said that as to higher education, "we have been living on borrowed time." If this is so in the United States colleges, to which we have been losing teachers for a long time, how much more so is it true of our Canadian universities?

Financial problems hang over our colleges at a time when university graduates are in demand everywhere as teachers, administrators, doctors, executives in business, engineers and scientists. Not long ago a particular aspect of this problem was forcefully emphasized by Dr. O. M. Solandt, the former head of the defence research board. He warned that the shortage of engineers and scientists was a real threat to our defence program. This is not simply a question of continuing material prosperity or higher standards of living; it becomes a question of survival. But along with the scientists, in fact more vital to our well-being as a nation, is the teaching of languages, law, music and the arts generally. These must be maintained and allowed to flourish if we are to have a society and culture worth preserving.

Our present arrangements for university financing are inadequate. The federal government is already giving substantial aid, but the problem has not been solved by any means. Either the provinces must receive enough money to meet this and other responsibilities under the dominion-provincial fiscal arrangements or more money must be obtained the hard way through direct means by the universities.

Under our constitution, education is a provincial responsibility. That division of power is appropriate today, as it seems to me our school system is best administered by provincial and local authorities. Nevertheless the federal government has for a long time shared the costs of vocational training without interference with the administration of the school system. In the same manner, a larger share of the cost of higher education, of professional training and of the liberal arts courses could be borne by the federal government without interfering with the operation of the private institutions.

Now I come to what hon. members might regard as a theme song, my criticism of the present method of distributing the Massey grants. As I have just stated, geography, not per capita equality, determined the allocation of the Hudson's Bay lands. Why has this population principle become so sacred now? If there were no other standard of measure, it might be acceptable, but on the contrary a perfectly fair and acceptable basis was devised for the post-war training of service personnel.

In the veterans' training program a uniform national rate per student was paid. This worked very well, gave the student freedom of choice as to the college he attended, and imposed no relative advantage on particular institutions. Compare the results of this per capita distribution to those of the Massey grants, and I shall cite only a few instances from the 1954-55 estimates. One province received $105.41 per student; another, $162.96; another, well over $400; while Nova Scotia received only $85.23, the lowest of all the provinces. We would urge that the Massey grants be distributed on the basis of a uniform national rate per student.

The dominion-provincial program providing allowances for disabled persons was a forward step in our social legislation. Yet seldom have we heard so much criticism of a well-intentioned measure. Last year, only a few months after the act came into force, I spoke in this house asking the government to look

into some specific problems. These difficulties came to light very early and had been brought to my attention by interested people. I am sure other hon. members have had a great many complaints too.

Most of the difficulties arise out of the rather rigid regulations and their interpretation—perhaps more with the interpretation than the regulations. I shall refer to only some of them. For example, the disabled applicant who has been rejected should have the right of an appeal from the board's decision, a privilege enjoyed by those turned down for old age assistance and war veterans assistance. Arrested tuberculosis patients, paraplegics and similar cases should certainly have the same consideration.

The nature of the criticism suggests that an early review of the legislation and its application is desirable. It is good to know that a conference of federal and provincial welfare officials will be held in Ottawa soon to review the program. I trust, however, that their deliberations and the government's action will go beyond revisions aimed at improving only the present program of assistance to the totally disabled.

There is an old saying that half a loaf is better than none, but in this case it has not worked out. Speaking politically—which may possibly be poor politics—this has been a poor bet, partly because there are those who are cruel enough to exploit the misunderstanding and false hopes that were built up when the plan was first announced. However, the weakness of the program was foreseen by a group which is generally interested in seeing that the most effective measures to rehabilitate the disabled are incorporated in the act. In its brief on the subject of disability allowances, in May, 1954, the Canadian Welfare Council summed up the situation thus:

> While recognizing the need for disability allowances for totally and permanently disabled persons, we are strongly of the view that such allowances must be thought of in terms of their effect upon those who are not eligible as well as upon those who are eligible for benefit from them. When this is done the need for a broader program becomes at once clearly apparent . . .

In its outline of a comprehensive program the council recommended that maintenance for the disabled should be provided through, first, a disability allowance for the hard core of disabled persons who must be regarded as incapable of rehabilitation. This would include the totally disabled provided for in the 1954 act. Second, it recommended a rehabilitation allowance for those people for whom there is any hope of rehabilitation, regardless of how meagre that hope may be, to provide maintenance during the whole process of rehabilitation similar to that now offered during retraining under schedule R of the Canadian vocational training act. Third, it recommended maintenance for those partially disabled who are not eligible for either of the above programs through public assistance provided by the province or local authority.

The weakness in the present program arises, I suggest, from the gap, the absence of assistance for the people who are not totally and permanently disabled and for whom there is a chance of rehabilitation. I would urge the minister, who is always thoughtful and co-operative, to consider carefully the need for more flexibility in the regulations and the additional provision for maintenance during rehabilitation for those who may benefit from it.

May I add that some advocates of changes in welfare programs have suggested that when amendments are being made to one particular piece of welfare legislation an across the board survey should be made which would embrace war veterans allowances and assistance and legislation that has been enacted for the benefit of the blind, which in the latter case would cover the appeal now being made by the Canadian National Institute for the Blind whereby a specific allowance free from the means test would be granted to all blind adults to cover the costs of guiding and other essential expenses peculiar to blindness.

With regard to national health insurance, much progress has been made in building up facilities and in the training of personnel. As we have talked at length about this before, I now have only one thing to add. Let us get on with further preparations as quickly as possible, and let us relax our demands on the provinces, for some of them just have not the resources for such a huge undertaking.

Among the major pieces of legislation to come before us this session is the proposed revision of the Dominion Succession Duty Act. Without going into detail, which would be more appropriate when the act is under consideration, I should like to draw attention to certain general provisions which seem to me to be unfair. First, I should like to recommend that in the case of a widow up to $50,000 of her husband's estate be a true exemption and not just an exemption that excludes from taxation estates under $50,000. At present if an estate is $50,000 or under no tax is levied, but if it is even one dollar over that amount the tax is levied on the entire estate.

A second objection to the present law is that when a widow has a survivor's pension or a life interest in an estate full succession duties, assuming normal life span, must be paid within four years in equal instalments.

This may mean that the widow pays taxes on income she never receives if she dies before her allotted span of years. It amounts to double or triple taxation in any event, income tax on the original earnings, estate tax and then tax on the widow's income if she lives to receive the income.

A lot of these inequities would not be so severe if the wife were viewed as a married partner. It has been recommended that one-half of a husband's estate should pass on to his widow free of duties. This seems to me a fair proposition provided a reasonable limit be fixed. I realize that there are many who are not so well off financially that they need worry about estate duties. In some cases when a man dies in his active working years some assistance could be given on the basis of unclaimed benefits under the Unemployment Insurance Act. I ask the minister if consideration could be given to paying the unemployment benefits, to which a worker would have been entitled had he lived, to the widow and children.

Another matter of a similar nature relates to the payment of war veterans allowance and assistance. Those veterans of the first war who for one reason or another, in many cases not of their own doing, served in England but not in France or another theatre of war should be eligible for benefits under the War Veterans Allowance Act. These men and women, particularly of the early contingents, the first and second contingents, soldiered under great difficulties. They had to contend with mud, slush, cold, disease, veritably the conditions of the trenches. Anyone who was stationed in the early war years at Salisbury Plains, as the hon. member for Royal (Mr. Brooks) probably was, Westenhanger or Moore Plain, came home full of rheumatism, arthritis and allied diseases. They served under physical conditions as bad as if not worse than those which prevailed in England during the second world war and are, I suggest, entitled to the same consideration.

The constituency of Halifax which I have the honour to represent is of more than ordinary importance to the nation. The evidence of this is found in cold cash. Payments by the dominion government in lieu of taxation for 1955 were greatly increased and brought up more in line with the tax paid by the average citizen. Our high tax rate over the years can be attributed to the small share borne by the federal authorities, whose contributions were all out of proportion to the value received from the Halifax, Dartmouth and Halifax county taxpayers.

I am sure the increase in these payments pleased the citizens of Halifax and the municipalities very much. In addition, the national harbours board paid $75,000 in taxes to the city of Halifax. However, this payment is anything but in line with the tax they should pay in view of the fact that they control practically all the waterfront in Halifax. It was a great surprise to me that the payment was not at least double this amount, for it seems fantastic and all out of proportion for the national harbours board to be paying merely $75,000. In so doing they are adding to the burden of the individual taxpayer of Halifax, in particular the businessman who is already staggering under his tax load.

In spite of this shortchanging, the national harbours board is deserving of commendation for its endeavours in bringing the port of Halifax to a higher standard of efficiency each year. There is no doubt that this improvement has been a factor in the growth in the volume of business handled by the port. But more remains to be done, and I would urge that docking and handling facilities be maintained and extended to keep ahead of and create demand, as well as to meet any emergency such as war.

To give aid to the national harbours board and to assist in every way possible in promoting trade through our port, the city of Halifax has tried to do its part. About two years ago they organized the port of Halifax commission, the members all working without remuneration and doing a major job well in soliciting and directing traffic through our port and in advising the national harbours board management of the needs of a modern, efficient harbour.

In addition to our commission we also have a group of men, the finest in North America, whose aim is to assist the Minister of Transport (Mr. Marler) in his administration. I refer to the members of the Halifax longshoremen's association and other waterfront workers who efficiently load and unload ships in fair weather and foul, and give service far beyond the call of duty, thus expediting the business of the nation.

On several occasions in the past reference has been made to the volume of Canadian manufactured goods shipped through United States ports. One of the big-volume commodities using these channels is automobiles. As we all know the automobile industry is a highly protected one in Canada. Naturally we in Halifax would like to see this business come our way over Canadian railways.

We realize that there are many factors which determine the choice of a port of shipment and that the competition is very keen. Our facilities must be of a very high order and our reputation for service must be first rate if we are to compete with the big

United States ports. Much depends upon our shipping companies and their employees, but they must have the very best port facilities with which to work. A port without adequate railway and air services is like the proverbial flower, "born to blush unseen".

Now that railway business has increased considerably, it is expected that the Canadian National Railways can afford express accommodation which is advanced beyond the village stage. The old wooden buildings constructed during the war of 1914-18, which serve as express sheds and offices, must be most inefficient for their operations. Certainly they give the appearance of makeshift arrangements, and I am sure they impose unnecessary burdens on the staff working there. They should be replaced by fireproof structures as early as possible. Condemned as a fire menace some years ago, their continued use must constitute a hazard to shippers, not to mention the effect on the morale of those employed.

This is an important year for Canada in the field of tariffs and trade. The GATT conference to take place shortly is of vital concern to those as dependent on exports as are we in Nova Scotia. It is to be hoped that the tariff gains of the last few years can be held and that our relative position can be improved.

Another conference to which we look with great interest is the British Caribbean conference to be held in London in the near future. Canada has a particular interest in the hoped-for federation of the British West Indies, for here is another embryo organization which is, in a sense, following in our footsteps in its growth toward a firmer political and economic foundation. We have an interest in this matter as it is the evolution within the commonwealth of another group of territories taking steps, by peaceful means, toward the control of their own affairs.

We have a very direct interest, too, in trade with this area. It is a natural market for some of our goods, and is of particular importance to the Atlantic provinces. Trade has been hampered not by lack of demand but by exchange difficulties in the whole sterling area. With federation, we can look for improvement in the economic position of the group of islands and for the growth of trade, a mutual advantage.

May I conclude by asking that a trade mission, whose specific aim would be to improve our trade in fish, be organized to go to the West Indies and to South America. I suggest that it might be organized along the lines of that successful mission headed by the Minister of Trade and Commerce a year or so ago.

(*Translation*):

Mr. Hector Dupuis (St. Mary): Mr. Speaker, at the beginning of my remarks may I be permitted, not only because it is the custom but because the parties concerned deserve it, to offer my sincere congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

As for the latter, his name will be added to the long list of able public representatives and he has truly shown that he is a very gifted speaker. I know that his future will be a brilliant one and I beg him to accept my best wishes for a most prosperous career.

As for the hon. member for Timiskaming, we had had the opportunity of hearing her previously in the house. We knew she had talent, but she has proven once again that her constituents have reason to be proud of electing her as their representative in this house. However, as has already been said, her part in this debate has been a happy event, because it is the first time that a woman has been called upon to move the address. I want to congratulate the right hon. the Prime Minister (Mr. St. Laurent) and the members of his cabinet for their thoughtful move, thereby taking official note of the increasing participation of women in public affairs.

Before making certain requests of particular concern to the district I represent, I would like to draw attention to some of the main features of the speech from the throne which is now under consideration.

Last year a disaster had been forecast, just as it was tonight by the spokesman of the Social Credit party; I thought that Canada would again go through that period of great darkness that has left vivid memories in the minds of those who have gone through it or have heard about it. There are very few here tonight who have lived through that dark period.

According to the forecasts of the opposition, our economy was doomed, everything was going to ruin through the government's lack of foresight or because of the political party which, unfortunately for them, has now controlled the fortunes of this country for 20 years.

We had then heard the Leader of the Opposition (Mr. Drew) foretell, as he did today, these calamities; in spite of our present prosperity he tries again to dictate to us his policy.

We would ask the Leader of the Opposition a simple question. We would like to know what means are available to him to improve conditions further. We have put this same question every year since I have been a member of the house and yet I have never heard from the opposition a single suggestion likely to add, if this should prove possible, to the progress and prosperity achieved under the Liberal administrations which, one after the other for 20 years, have held power in this country.

For example, when it comes to helping the western farmers, as this government wants to, I ask the Leader of the Opposition to tell us by what other means we could help them. He says that there are many, but fails to mention any one in particular.

He also claims that our trade was not given the expansion which could reasonably have been expected and that we are not taking advantage of economic possibilities. I see him going, like former prime minister Mr. Bennett, with a load of t.n.t., to blast his way into commonwealth and other markets. We have already seen, on the other side of the house, some of those gallant champions of social and political economy but they have never pointed to any means likely to further improve present conditions.

Well, I remember that one day a member from the other side of the house told us: "We know of many ways of pulling the country out of its present depression, but we do not tell anybody, because we keep them for the hustings, for our political contests." Well, when people have good methods or know how we could further improve the situation, I think it is high treason against the nation if they do not make it their duty to show these methods to their colleagues in this house. However, we know only too well that the hon. members across the way have no suggestions to offer; they can only look enviously at the achievements of the party to which I have the honour and the advantage to belong and in which Canadians at large put their trust these last 20 years.

We will be asked to come to the assistance of the western farmers. Well, this shows once more that, in spite of what can be said in certain circles—certain circles which, by the way, are growing ever more restricted—of the people of Quebec and of those who represent them, our fellow citizens will have noticed once more that we are not confined in our thinking to our own immediate surroundings, that there is nothing jingoistic about us, but that we are part of the great Canadian people, and that, as citizens of Quebec, we realize that we must help every part of the country which depends upon us to emerge from a difficult situation. Still, it is the Liberal party which has national unity as its aim. It is to this party, which some people are attempting to condemn, that those farmers who keep complaining, in spite of the very generous treatment they have received, will possibly owe their escape from bankruptcy this year or in years to come.

Last year we also heard the opposition, in plaintive tones and shedding many a crocodile tear—tears to which the hon. representative of the Social Credit party referred to a moment ago—harp regretfully on the theme of unemployment. I represent an electoral riding with a population made up of workers in the proportion of about 85 per cent, and I too was sorry last year that so many people were jobless. I belong to a family of 14 children, and my father was a worker. I therefore have a fellow-feeling for the workingman and I too was saddened by the plight of some families in the city where I live. This year, things took a turn for the better, but the situation is not yet what it should be.

I hope that one day things will settle in such a way that we shall be able in all seasons to guarantee work to those who are able to supply it. However, there again the government, mindful of the welfare of the country and especially of the labouring class, took steps to convince some industries to carry out works in winter rather than in other seasons because it is then that the majority of labourers are out of work. This attempt on the part of the government has had the result of greatly reducing the number of unemployed this year. If we compare the situation as it is today with that of years past, even if there are still a great many jobless, we note that never have workers had so much work. The situation today, even if there are still too many unemployed, is different from what it was 25 years ago, when, in thousands of homes, not a single person had a job, when neither the father nor the older children who were able to work could find employment.

That was real unemployment, when the whole family was out of a job. Today, you may, no doubt, see the father or one of the children out of work but there is always someone to bring home his earnings. Never have there been so many people with jobs. Moreover, there is no more of that anxiety that was felt by the workers during those periods to which I have referred. No longer are they afraid of not having enough to eat. All this is due to the social measures brought about by the Liberal government.

Today, the unemployed man has sons and daughters in gainful occupation. When he himself is unable to work, he can benefit from unemployment insurance, family allowances, and when he reaches a certain age, the old age pension.

Those are social measures which have not always been welcomed by our opponents. As a matter of fact, they have opposed them at all times.

Today, when a member of a family is unable to work, he may draw certain benefits which he did not receive when our friends opposite were handling this nation's business.

I would like to express my heartfelt appreciation to the Minister of Labour (Mr. Gregg) for the special consideration he gave to the case submitted to him by the stevedores of Montreal and elsewhere who wanted to be treated like any other worker. They had been classified as seasonal workers; I note, however, that the government agreed to the humble request of the member for St. Mary. As a matter of fact, I conferred with the Minister of Labour and the administrators of the Unemployment Insurance Act. I am not saying that I alone was responsible for this result; I am pointing out that I am proud to have taken part in this effort. I am happy to thank the Minister of Labour on behalf of those workers who were really counting on these benefits in order to live through a period when they have much difficulty in finding work. For that matter, it is quite legitimate since I do not believe the stevedore's job is more seasonal than that of the construction worker, for instance, who does not work for a greater number of days during a year than a longshoreman in the Montreal harbour or elsewhere.

In any event, the Minister of Labour met the request of that class of workers and I am quite happy to have been in a position to contribute myself to securing the support of the Minister to that point of view. It is a further step taken by the Liberal party for the workers.

Now I shall touch on the federal provincial relations in the realm of taxation.

We already took cognizance of the offers made by the federal government. The provinces concerned will be studying them. Is there one member in this house, no matter where he sits, who is not willing to pay tribute to our great statesman, the present Prime Minister, who presided with extraordinary diplomacy over the sittings when the thorny problem of the distribution of revenue among the provinces was debated. Let us congratulate the right hon. the Prime Minister for the manner in which he conducted those talks. I also congratulate all the provincial premiers although I do not know them all—I know one of them—who maintained the atmosphere that should prevail in such circumstances. We can therefore hope that the problem will be settled to the satisfaction of all concerned.

Once again I wish to stress the generosity or the liberality—those terms are synonymous and they go well with the Liberal party—of the federal government's share in the construction of the trans-Canada highway, to which the federal government contributes 90 per cent. I need not analyse the intentions of the government of my province but, as a citizen of that province and as a member of this parliament, I have reason to wonder what prevents my own province—of course, I am not speaking for the government but in my own name—from benefiting from that 90 per cent of the cost of construction of that highway which, as we know, is already built in some Canadian provinces. I therefore express the hope, without trying to dictate a policy to anyone, that my province will accept this generous offer. Very many things have been said in that connection. We have heard about autonomy. Would the province of Ontario have sold its autonomy by accepting this 90 per cent on the construction of the trans-Canada highway? Neither the premier of that province nor any member of the party opposite has uttered the least protest on account of that 90 per cent. None of them has said that this would jeopardize the autonomy of the province. If the autonomy of my province were threatened, I would be the first to rise and state publicly that I disagree with any government who would attempt to interfere with its autonomy. There are perhaps reasons that we do not understand for which the province of Quebec refuses to accept that 90 per cent share of the cost of construction of the trans-Canada highway; I do not want to make any insinuation. If I had to repeat everything that I have heard in this connection, I suppose that some people would be unhappy about it;

I think that the hon. member for Three Rivers (Mr. Balcer) would not like it very much.

We must also emphasize particularly the amendments which can be made to the housing act with respect to unsanitary dwellings.

Once more, and it is my duty to say so, I must say how sorry I am that the province of Quebec and the city of Montreal have not used the means put at their disposal in order to bring about slum clearance. I hope that they will avail themselves of the opportunity to do so offered them at this time by the extension of the provisions of the act and the increase in the amount of the subsidy. I would like to be allowed to offer a few suggestions along this line.

In my constituency there may be found homes which are really a menace to the health, if not to the morals of those who live there, especially the children. To my mind the problem has not been attacked in the proper way. The point is not so much to clear slums but, first and foremost—I repeat this once more—to find a way to provide, at a reasonable rent, sufficiently large homes for large families.

There is a project under discussion in Montreal at the present time. I do not know if it has been approved definitely. It may have been. I refer to the project bearing the name of a commissioner of the city of Montreal. It is proposed to clear out, in this particular district, a number of slums. On that point there is agreement. However, no solution is brought to the problem of large families, to sanitary and moral conditions, by building seven-storey tenements in a sector as unsanitary as the block bounded by St. Denis, St. Lawrence, De Montigny and Ontario streets. If this is the way to solve the slum problem, then, I do not know anything about it. Apartments will no doubt be cleaner, but will sanitary conditions be improved by crowding adults and children in a rather restricted sector? Just imagine the chore of the mother of the family lodging on the sixth or seventh floor. Just imagine the promiscuousness of all these people in the same building.

To my mind, the solution of the problem of healthy housing lies in a way—and it is possible under the present legislation—which would allow us to put a tenant, if it has to be so, or a home owner in a house of his own where he could breathe fresh air in surroundings where children can grow up properly. The plan is not without merit of course, but I do not favour the carrying out of such a plan for the solution of the slum clearance problem.

I hope once again—and I wonder why more has not been done so far—that the province of Quebec and the city of Montreal will go ahead, will make great strides, and as quickly as possible, to take advantage of that legislation which can materially improve the living conditions which are the lot of some people.

Now we all have noted, more specifically the member for Hamilton West (Mrs. Fairclough), the fact that the government had decided women will receive equal pay for equal work. For 25 years I have been in public life and I have been advocating such a step, and that is the reason why last year I did not hesitate to support by my words and by my vote as well the motion which was then before the house.

This is what I said last year:

> My opinion is that there should be no discrimination in the treatment meted out to women or men. Human rights have already been discussed in this house. This question will be referred to again, and, in my opinion, we should give the women of our country equal pay for equal work.

Well, this measure has been included in the policy of the government, which recognizes that it has to be extended to the fields under its jurisdiction. I have been sponsoring a motion of this kind for the past 25 years, and I do not hesitate to express to the government my most sincere appreciation for its gesture in this instance.

Now, before referring to two questions, of which one at least is of particular interest to me, may I be allowed to add my congratulations to those already conveyed to the Minister of National Health and Welfare (Mr. Martin) for the leading part he has played recently in the United Nations Organization. It is fortunate that the Secretary of State for External Affairs (Mr. Pearson), who cannot be everywhere at once, is able to choose a substitute, and one who fulfils his task very well indeed, probably because both are in such excellent agreement. As a matter of fact the foreign press is forever praising them. While again congratulating the Minister of National Health and Welfare for his recent participation in the United Nations discussions and the success he reaped there, I also indirectly congratulate the Secretary of State for External Affairs, who has been able to build up an enviable reputation in his own sphere at home as well as throughout the world.

I do not know whether the Minister of Transport (Mr. Marler) will scold me—I doubt

he will, though—but once more I want to draw his attention to the question of bridges, and more particularly the Jacques Cartier bridge. I must in the first place congratulate him for widening the carriage roads, and I hope both the city of Montreal and the province of Quebec will make the necessary improvements to the approaches at both ends of the bridge.

Mr. Gauthier (Portneuf): Are you talking about the Three Rivers bridge?

Mr. Dupuis: At Three Rivers, the second bridge is being rebuilt.

The Minister of Transport told me recently in a private conversation that Montreal will have a new bridge. I congratulate him on that. Unmistakably, that is imperative. It will be a toll bridge like certain bridges which were built after the Jacques Cartier bridge.

I must also put several questions on the order paper. I will not labour the point, but some people hold the view that we cannot do away with the toll on that bridge. Maybe we shall discuss the issue later on, but I do not have the time tonight; however, let us take for granted the toll will be maintained. I wonder if it would not be advisable to have standard rates for the whole island of Montreal. I think it would be advisable also to consider having a toll only on cars and not on their passengers. The reason for that suggestion is quite simple when we realize that 38,000 people use the Jacques Cartier bridge to go to work in Montreal, while some 10 or 15 years ago there were perhaps only 8,000 who used it, and that these workers, who cannot make a living in the small communities where they live, come to Montreal, the metropolis, to work and have to pay every day, besides their street car tickets, a toll on the car in which they sometimes ride free, but not always. In addition all the American tourists and many other travellers have to pay the tolls. In my opinion that should be abolished in order to do away as much as possible with the bothersome task of collecting tickets. I believe that the suggestion of collecting only for the automobile deserves special attention from the Minister of Transport and from the government.

Now, needless to say, in my humble opinion there are many reasons why the tolls should be abolished altogether. But on the other hand I do not know whether the province of Quebec, which is a party to the contract, would agree to change the contract, because I have been told that all the replies which should have been received from the provincial authorities on this matter of tolls have not yet been received.

There is another matter which I would like to mention but I am somewhat reluctant to do so, Mr. Speaker, not so much on account of the principle involved but because it might be said in certain quarters that I intend, through the following remarks, to raise a racial matter. I wish to draw the attention of this house and of the government —it is my duty to do so—to the fact that, in the matter of bilingualism, although great improvements have been achieved under the Liberal party, there is still much to be done, more particularly in the matter of telephone exchanges.

I believe that the Bell Telephone Company should be able to provide operators who speak English and French equally well in order to avoid trouble to people who do not speak English and who, sometimes, are unable to reach those to whom they want to speak. For long distance calls, one is asked to wait for a French-speaking operator, which adds to the delay in putting the call through. Ottawa, which boasts of being an intelligent city, a practical, intellectual city, all of which is quite true—and it is quite true and I am not speaking of the quality of the administrators because I do not know them.

An hon. Member: Do you mean Charlotte?

Mr. Dupuis: I only know her by name. I have heard various things about her. In any event I have nothing to add. I might leave that to one of my colleagues with whom she has had some differences of opinion on certain occasions.

But Ottawa, which fancies itself to be an intelligent city and which, in fact, is a practical, intellectual and intelligent community, should understand that it is in its interest, in a field like that of telephone communications, to see that its operators should at least speak the two official languages of this country.

I would like to give you a few amusing details. I have personally tried to make myself understood in French by pronouncing the names of certain French members sitting in this house—if I were to name them, you could see how easy it is to pronounce these names—but I was unable to get in touch with the person I wished to call up precisely because it was a French name. That is regrettable. However, I do not blame only the government and we certainly have no lesson to take from the other side of the house as regards bilingualism in official positions. How-

ever, there is room for considerable improvement in this situation. Thus a person from the country, who is not without intelligence but who cannot speak English, can in no way be put in touch with someone when telephoning to Ottawa because that person speaks only French. It seems to me that there is a gap that should be filled, which would add to the beneficent measures of a government which has reached near-perfection as regards wise administration.

I hope that my remarks will be taken in good part and given effect to by the officers of the Bell Telephone Company, which will enable them to ensure an excellent bilingual service in Ottawa, contributing at the same time to making it a more efficient one.

Since Mr. Speaker is now in the chair, I conclude my remarks by extending to him my best wishes for the new year, as I have not yet had an opportunity of meeting him personally, due to the fact that other occupations are now taking all my time. Some of you know what I mean. At the same time, he will allow me to emphasize his fairmindedness and his vast knowledge, and the way he discharges his duties, which make him one of the greatest of the House of Commons Speakers Canada has ever known.

As to the right hon. the Prime Minister (Mr. St. Laurent)—having no portfolio to ask for myself, although I would not refuse one—he will allow me to extend to him publicly the tribute of the workers' representative of a Montreal constituency. I want to tell him how everybody admires his way of handling public business. First of all, he is one of the greatest Canadians we have ever known and, though I run the risk of repeating myself, I think that the best way to describe him is to say that he certainly is the greatest champion of national unity we have ever known.

Mr. Speaker: Before moving the adjournment, and as we have read in the papers that the hon. member for St. Mary (Mr. Dupuis) is getting married this coming Saturday, may I extend to him our sincere congratulations and ask him to convey our respects to his future wife. Our best wishes to both of them.

(*Text*):

On motion of Mr. Robinson (Bruce) the debate was adjourned.

On motion of Mr. Harris the house adjourned at 9.56 p.m.

HOUSE OF COMMONS

Friday, January 13, 1956

The house met at eleven o'clock.

INDUSTRIAL RELATIONS

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

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 5, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Motion agreed to and bill read the first time.

GRAIN

REQUEST FOR ACCELERATED DEPRECIATION ON FARM GRANARIES

On the orders of the day:

Mr. W. M. Johnson (Kindersley): I should like to address a question to the Minister of National Revenue. In view of the grain congestion and the necessary construction of farm storage facilities, has the minister given consideration to granting farmers accelerated depreciation for income tax purposes on farm granaries?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, the government has given very serious and careful consideration to all the problems which have arisen in the grain trade.

Mr. Johnson (Kindersley): I should like to ask a supplementary question, Mr. Speaker. When will the results of this consideration become known?

Mr. McCann: The best answer I can make to that question is a repetition of the answer given yesterday by the Minister of Trade and Commerce (Mr. Howe). He said that the government's legislation program with respect to grain is on the order paper. He also said that if there is any further program, it will appear on the order paper.

IMMIGRATION

PROPOSED SIMPLIFICATION OF FORMALITIES—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): I should like to direct a question to the Minister of Citizenship and Immigration. Would the minister tell the house whether the proposed simplification of formalities in the case of British immigrants coming to Canada referred to by his deputy minister, Mr. Laval Fortier, at a press conference in Canada House as reported in the French newspaper *Le Droit*, is intended for British immigrants only or whether these simplifications will be extended to all immigrants coming to Canada regardless of their original nationality?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have not the hon. gentleman's advantage of having read the particular item in question. I think perhaps it would be wise for me to read it before I attempt to explain it.

FIRES

INQUIRY AS TO INVESTIGATION AND PREVENTIVE MEASURES

On the orders of the day:

Mr. J. W. Noseworthy (York South): I should like to direct a question to the Minister of Trade and Commerce. Is any agency of the minister's department or of any other government department taking any measures, in co-operation with provincial and municipal agencies, to discover the cause of so many fires in homes and apartments, and to prevent the appalling loss of life in such fires? If so, what measures are being taken?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The division of building research of the national research council has a fire research section, the object of which is to investigate all aspects of fires with special reference to loss of life and the improvement of buildings with respect to fire hazards. The head of the section receives all second degree fire calls in the city of Ottawa, and therefore the national research council through its fire research section has studied all serious fires in the capital city in close co-operation with the Ottawa fire department during the last three or four years.

As the question suggests, the responsibility for fire prevention is a provincial matter under the British North America Act. The officer directly responsible is the fire marshal in the various provinces. The division to which I have referred works closely with the fire marshal and reports to him the results

of their studies. In general, the division is working to eliminate fire hazards from Canadian homes and Canadian buildings. The difficulty at the moment is that these fires occur in the older houses and about all that the building research department can do is to call attention to the hazards in the home, the necessity for cleanliness, the necessity for having wiring checked, particularly if the wiring is old, and to ask that all precautions be taken.

I believe that as a result of the study we are moving toward a better class of fire-resistant building in newer construction both of homes and of other types of buildings.

Mr. Noseworthy: May I ask two questions of the Minister of National Health and Welfare? In view of the large number of children who have recently lost their lives in burning homes and apartments, and in view of the fact that many mothers left alone with small children have no knowledge of what to do in case of fire, will the minister consider the advisability of including with the children's allowance cheques which go to the mothers of the country every month—

Mr. Speaker: Order.

Mr. Noseworthy: —some suggestions prepared by experts to be followed in case of fire?

My second question is—

Mr. Speaker: Would the hon. member be good enough to allow the minister to reply to this already lengthy question before he puts his second question? May I tell him now that if the second one is of the same length and gives as much information as the first, perhaps he might now consider revising it.

Mr. Noseworthy: I shall wait for the minister's answer to the first one.

Hon. Paul Martin (Minister of National Health and Welfare): The hon. gentleman gave me notice of his intention to ask this question yesterday and the matter that he asks about is going to receive our careful consideration. I may tell him that already our department of information has issued pamphlets in the thousands about fire prevention in co-operation with the Ontario fire marshal's office. I was in touch with the Ontario fire marshal yesterday, and I found that his office, under the direction of the attorney general of the province of Ontario, does distribute material somewhat along the lines suggested. However, the matter will receive careful attention.

[Mr. Howe (Port Arthur).]

VETERANS AFFAIRS

INQUIRY AS TO ALLOWANCES FOR VETERANS RESIDING OUTSIDE OF CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Veterans Affairs. I have given his most capable parliamentary assistant verbal but unofficial notice of the question. In view of the minister's summer-long consideration of the question of amending the War Veterans Allowance Act to provide for an allowance to be paid to veterans who have to reside outside of Canada for health reasons, can he inform the house of the results of his summer's reflection and pondering on this question?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, in view of the introductory remarks of the hon. member before he put his question, I am not sure that he should not have addressed it to my parliamentary assistant. However, I shall endeavour to answer him by saying that the question of paying war veterans allowance to a veteran residing outside of Canada has received, as he knows, consideration on numerous occasions. It was again given very careful study after the close of the last session. The decision has been reached that no amendment would be made at this time.

PUBLIC BUILDINGS

QUEBEC POST OFFICE—ALLEGED DELAY IN COMMENCING CONSTRUCTION

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Will the minister give the house the true reasons for the delay in commencing the construction of the new post office in the city of Quebec?

Hon. Robert H. Winters (Minister of Public Works): I am not aware of any unusual delays, Mr. Speaker. Perhaps the hon. member would do well to have a personal chat with me and tell me what he has in mind.

Mr. Dufresne: Mr. Speaker, I only want to know the reason for the delay in the commencement of the construction of the new post office in the city of Quebec.

Mr. Winters: There are no delays and no obstacles. We are progressing with the development of the plans and specifications.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to ask the Prime Minister whether he has given favourable consideration to the suggestion that a select committee of the house be set up to inquire into Trans-Canada Pipe Lines Limited, which was mentioned in the speech from the throne?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, there has been no decision reached to recommend to the house the establishment of a select committee to deal with that matter.

STORMS

INQUIRY AS TO REQUESTS FOR DISASTER RELIEF FOR MARITIME PROVINCES

On the orders of the day:

Mr. J. A. MacLean (Queens): I should like to address a question to the Prime Minister. I regret that I have not had the opportunity to give him notice, so perhaps he might take my question as notice. Has any request been received by the government from any of the maritime provincial governments for disaster relief to help alleviate hardship caused by the recent disastrous storms and floods in the maritime provinces?

Right Hon. L. S. St. Laurent (Prime Minister): To my knowledge, Mr. Speaker, no request has been received from any of the maritime provinces, but I shall inquire whether any such request has been received by any of the departments.

TRADE

REVISION OF EMPIRE TRADE AGREEMENT AND GENERAL AGREEMENT ON TARIFFS AND TRADE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce? Is the minister aware of a statement made by the Australian minister of trade and commerce recently, indicating some feeling that there has to be a revision of the empire trade agreement and also the general agreement on tariffs and trade? Has there been any official communication from the Australian government to the Canadian government in that regard? If so, is the matter likely to be the subject of further conferences or further communications?

Inquiries of the Ministry

Right Hon. C. D. Howe (Minister of Trade and Commerce): I regret to say I have not seen the newspaper article in question.

Mr. Fleming: Two days ago.

Mr. Howe (Port Arthur): Nor have I seen any official communication from the Australian government in that regard. If one has been received, no doubt the Secretary of State for External Affairs (Mr. Pearson) will so advise. I have not seen it.

HEALTH INSURANCE

INTRODUCTION THIS SESSION OF LEGISLATION IMPLEMENTING ANY AGREEMENT BETWEEN FEDERAL AND PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? Will the government be prepared at this session to introduce legislation implementing any agreement reached between the federal government and the provinces respecting health insurance?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, as my hon. friend knows, the federal and the provincial governments are to meet pursuant to a suggestion made by the Prime Minister of Canada at the conference which was held in this chamber on October 3. That conference set up a subcommittee consisting of the Minister of National Health and Welfare, the Minister of Finance and the provincial treasurers of the provinces. That committee is to meet on January 23 next. I would remind my hon. friend of the words of the premier of Ontario, that the only way to make progress in this matter is to recognize that co-operation between the provincial and the federal governments is essential. I would hope the hon. gentleman would agree with that view.

TRANS-CANADA AIR LINES

CRASH AT MOOSE JAW IN 1954—STATEMENT AS TO SETTLEMENT OF CLAIMS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I think all hon. members of the house will be interested to know that all the claims arising out of the death of passengers and crew of a T.C.A. North Star aircraft resulting from the collision between that aircraft and an R.C.A.F. Harvard aircraft near Moose Jaw, Saskatchewan, on April 8, 1954, have now been settled.

I think hon. members will agree with me that it would not be desirable to make

public the amounts paid to next of kin with respect to each of the 31 individual passengers and four members of the crew. I may say, however, that the total amount paid in settlement of these claims was slightly under one million dollars.

It has been impossible, in spite of the most careful and painstaking investigations by technical and legal experts of the Department of Transport, the Department of National Defence and Trans-Canada Air Lines, to ascertain responsibility for the accident.

As a result of the accident T.C.A. suffered a very heavy loss in the value of the plane. The government has therefore decided that it would be only fair and equitable for the crown to pay the third party claims. This the crown has done.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 12, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in commencing my remarks this morning may I join with those who have preceded me in offering a word of congratulation to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to His Excellency's speech. In so far as the hon. member for Timiskaming is concerned, may I say that I listened with interest to her references to her recent trip to Paris in connection with the NATO parliamentary association. I should like to say to you that the hon. member for Timiskaming, the hon. member for Hamilton West (Mrs. Fairclough) and Senator Fergusson, who were the lady members of the group that went from Canada, made a contribution to the deliberations of that conference which was referred to most favourably by all in attendance.

As to the seconder, may I say that the longer one is in the House of Commons the more one looks for that infusion of youth and ability which elections generally bring to the House of Commons. My mind goes back to 1945 when a group of brilliant young members, representative of all parties, entered this house. You, sir, were a member of that group. Two or three other members of that group have become members of the cabinet, while others have made important contributions. All this strengthens that concept of democracy without which the House of Commons cannot discharge its responsibilities.

I have read the speech from the throne and having read it I must say that one would almost think that the Prime Minister (Mr. St. Laurent) had placed in the hands of the Governor General a copy of the speeches delivered in 1929 and 1930. There was adulation for the prosperity which exists, along with a complete playing-down of the current agricultural situation in this country. Reading those speeches of 1929 and 1930 one realizes that the government of that day lived in the same dreamland which was apparent in the speech delivered the other day by His Excellency. He spoke of the expanding economy, but he played down the serious situation of agriculture in the country. At that time, however, the situation was different; generally speaking, agriculture was in a precarious position everywhere in the world. Today that is not a fact.

However, before I deal with the question of agriculture, which to one coming from a western constituency, or indeed from any constituency in Canada today, is a matter of paramount importance, there are one or two references I wish to make to matters which for some reason or other have not found their way into the speech from the throne.

One is in connection with the development of T.C.A. The Prime Minister yesterday afternoon mentioned that something must be brought about, or will be brought about in the future, whereby the federal and provincial authorities will join together in a national development policy. One of the first things that has to be considered in that connection is the transportation problem.

Some years ago—I think it was in 1953—the Canadian Pacific Air Lines asked for a permit from the transport board to operate a freight line throughout the northern section of Canada between Montreal, Winnipeg, Prince Albert, Edmonton and Vancouver. At that time the Prime Minister stated that the decision that was then made was not to be taken as the "perpetuation of monopoly conditions". We in the northern part of Saskatchewan—and the same applies generally in all the areas in the western provinces—are today denied air services because of the monopoly in effect that denies any competition to the T.C.A.

I should like to hear from the Prime Minister in that connection. What is going to be done? Is this era of monopoly centralization in the T.C.A. to continue? Has not the T.C.A. held for sufficiently long a position whereby it has been able to prevent competition? Is

it not time that, in so far as freight deliveries are concerned in particular, competition should be permitted? As far as the passenger situation is concerned, competition could do no harm to the T.C.A.; it could only improve services.

The safety record of T.C.A.—and mention was made by the minister today of the tragic episode at Moose Jaw—has been good. But surely, when national development beyond anything ever before expected is immediately before us, the time has come for a reconsideration of the whole matter and for the Prime Minister to go even further than he went in 1953 when he said that the decision then made was not to be understood as a perpetuation of monopoly conditions.

What I have said in that connection represents my own views on this subject. I believe the problem of air transportation deserves serious consideration at this session of parliament. Certainly those of us who have had the privilege of travelling abroad and have seen something of the value of competition in other countries believe that the time has come for a reconsideration of this matter, so that such arrangements may be made as will permit competition with T.C.A. in this country.

Then there is another matter, which affects particularly those of us who live on interprovincial rivers. On a number of occasions, I have raised in this house the question of the seriousness of pollution and its effects on those who reside in urban centres on interprovincial rivers. The problem is with us again on the North Saskatchewan river, and I am asking the Minister of Justice (Mr. Garson) to give consideration at this session of parliament to meeting it. This problem cannot be met by provincial co-operation, as we have found in the meetings that have taken place between the provinces of Alberta, Saskatchewan and Manitoba. It can only be met as it is met in the United States, by amendments of the criminal law to the end that wilful pollution shall indeed be an offence as against the state.

Those are the two problems I mentioned that particularly affect and are of interest not only to the constituency of Prince Albert but also to other areas in other parts of Canada; first the hampering and throttling effect of lack of competition to the T.C.A. and second to river pollution.

Coming to some of the matters that have already been dealt with, and I do not want to be repetitious, we on this side of the house are not given to panegyrics of our leader or paeans of praise which in some parts of this house apparently are a routine matter. As I listened to the Leader of the Opposition (Mr. Drew) yesterday reviewing the situation in this country, I could not but think how right he has been on many matters in the last several years. He has dealt with the wheat situation on several occasions. But to what effect? Well, we are met by those optimistic utterances to which the Minister of Trade and Commerce (Mr. Howe) has almost patent rights.

When we pictured the danger of accumulating surpluses, we were met by the argument, all is well. The farmers of this country were assured on more than one occasion by the Minister of Trade and Commerce that there was nothing to fear. "Do not worry about these surpluses", he said in effect. "You will have none of them on your farms at the end of the present crop year". That is what he told the people of Canada, particularly those engaged in agriculture, last year. That is what he told the people of Canada in February, 1955, when this matter of piling up surpluses on the farms of the country was before the house. I think I ought to read what he said on that occasion. On the 18th of February, 1955, after dealing with the question of carryovers, he said this as found on page 1312 of *Hansard:*

> However, as I say our sales are very good. I can assure hon. members, I think with certainty—

There was authority; "with certainty", he said

> —that before the crop year ends on July 31 any producer who has grain of any kind that he wishes to market will have had an opportunity of marketing it.

That was his statement in February, 1955. What has happened since to change that opinion? I will refer to the United States policy in a moment, but their policy as between February and July was such that it interfered but very little with wheat marketing anywhere in the world. Then the minister produced this, Mr. Speaker, which for optimism is indeed a howitzer. As found at page 1313 of *Hansard* he said:

> We will have a substantial carryover of wheat, but that wheat will all be in public storage.

"All!"

> Storage on the farm will no longer be a problem to western Canada.

That was in February of 1955. One hundred million answers to that false prophecy are to be found in the granaries of western Canada.

Then to return once more to the Leader of the Opposition, let me point out that he indicated over and over again from 1952 on that we were indeed losing our markets and in particular that we are losing the British market. On two or three occasions in this house motions were made to assure something

in the nature of a commonwealth conference to provide for the building of a spirit of co-operation so that our markets within the commonwealth would not be lost. Again we were faced by the optimism and were told: Do not worry about it; we are in office; all is well with the world. That was the attitude.

Then came the serious situation in the prairie provinces. It could be seen coming all summer long. I refer to the inability of the farmer to market. We asked for cash advances. One of the first to ask for that assistance was the Leader of the Opposition, who so often is painted as being inimical to the west. Was he not right on the question of markets? No one can deny that he was. Was he not right when he demanded advances on farm-stored wheat? I should like to see any of the western members stand up and say that he was wrong. One of them made the statement that you cannot have advances because, if you do, you have the elevator men engaged in the money business. As a matter of fact, under the present system, today it is the elevator men who will have to collect for the banks or assure that the banks receive their payment.

The Prime Minister went west in September on the occasion of our jubilee celebration. When he returned to the east and he said he thought—and now I am generalizing as to his words, although I have the exact phraseology—that very few people in the west needed assistance, that all was well. I say this to the Prime Minister. Has the Minister of Justice (Mr. Garson) not told you about the meeting he attended in Marquette constituency? If you want an answer, ask him. Let him bring the message to Garcia. Has the Minister of Agriculture (Mr. Gardiner) not told you—I say this, through you, Mr. Speaker, to the Prime Minister—or let you in on the secret that the west is aroused and that almost unanimously the people are asking for cash advances? You say that the loan system will fill the bill and you are asking the farmer to pay 5 per cent on his earnings. You are asking the farmer to pay interest on his income. Is it any wonder that feeling is aroused in western Canada today? When action is asked for, energetic evasion of responsibility has become the first care of this government.

Must I prove to the government today what conditions are like? I am not going over the statistics that have already been placed before the house. We are in a serious position in the west and when we are in a serious position, it is only a matter of time until the effect will be felt everywhere in the dominion. Farm implement sales are down. Retail sales in Saskatchewan are lower than they have been for several years. The reason is simply this. While the farmers have done their job, they relied on the kind of humbug that is to be found in this speech of February 16 to which I have made reference. They relied on the humbug that markets would be found for their wheat, that they did not have to worry about farm storage, and they acted accordingly.

Here are some figures, Mr. Speaker, that indicate the net income of farmers in western Canada for the last three or four years, beginning in 1949. I could go back farther if anybody wanted me to do so.

Farm income on the Prairies

	($ millions)
1949	810
1950	630
1951	1,127
1952	1,082
1953	884
1954	376

In that period of time, as was mentioned yesterday by the leader of the C.C.F. party, the purchasing power of the dollar has gone down since the war by approximately 50 per cent. If you take that fact into consideration, you begin to realize something of the difficulties in which we find ourselves today in western Canada, in spite of the optimistic statements made by the various ministers of the crown.

I have a suggestion to make to the Prime Minister. If he wants to find out what the people of western Canada think of the cavalier treatment the west has received at the hands of this government in regard to cash advances, let him appoint one of those western members—and there are some ambitious ones—to the Senate and let us have a by-election. Then there will be an answer. If the Minister of Justice was not able to make the Prime Minister realize the situation the Minister of Mines and Technical surveys (Mr. Prudham) should; or if the Minister of Agriculture has not been able to convey it to the Prime Minister, the result of such a by-election would do so.

Mr. Howe (Port Arthur): The result would not interest the Conservative party.

Mr. Diefenbaker: As a matter of fact the government finds itself in the position that it cannot act. When the Minister of Trade and Commerce takes a stand, that stand binds the government. The only hope we have of the government's changing its attitude with regard to stored wheat is for the Minister of Trade and Commerce to go on another fishing trip. That is the one hope we have in western Canada today. The handling of this problem is a tragedy of errors; it is a chronic and tragic record of self-deception, optimism and

arrogance. It is an attitude on the part of the government that constitutes a mockery of the public demand for action.

I want to say to the leader of the C.C.F. that the amendment moved yesterday is one that represents the attitude generally of the farmers in western Canada. I had hoped that it would not be tacked on to the amendment to the address in reply to the speech from the throne because that does not give my hon. friends from western Canada supporting the government a true opportunity of standing up and being counted. If that amendment had been made on going into supply, the people of western Canada, who ask for and demand cash advances, would have been able to find out, once and for all, where the Liberal members stand on this demand. Cash advances are asked for and demanded by them.

What is the over-all policy on agriculture? There was a conference of provincial ministers of agriculture last fall with the federal Minister of Agriculture. Was there an over-all future policy developed? I could not see it. Where is the unity in the government today? On the one hand you have the Minister of Trade and Commerce speaking in Calgary and making a statement in regard to competition by the United States of America. He said:

> We have told our United States friends quite frankly we regard some of their recent actions as detrimental not only to Canada's interests but to the interests of all countries including their own.

That is one minister. Then, we have the other minister, the Minister of Agriculture, commending Benson of the United States for his policy on the disposal of surplus agricultural products.

Mr. Gardiner: On everything but wheat.

Mr. Diefenbaker: Oh, another amended statement.

Mr. Gardiner: It is not an amended statement; that is the original statement.

Mr. Diefenbaker: The government should have a department of ministerial muffs through which corrections in quotations and statements would be made. That is the first time there has been any circumlocution in regard to this question. The minister has never denied making the statement.

Mr. Gardiner: That is an absolutely false statement. I have set forth the correct statement at least once a week ever since.

Mr. Diefenbaker: Now I understand why there have been so many messages to the press lately. This is one of the statements that the press has not been reporting then, although it has reported some of the other alterations, changes or alleged misquotations. It has not reported this one.

Mr. Gardiner: You apparently do not read your own local newspapers.

Mr. Diefenbaker: That, of course, is no answer. I have here every correction, and it takes a big file to cover the Minister of Agriculture's corrections.

Then, again, the Minister of Agriculture has been speaking in favour of parity. He made a speech before the agricultural conference in Ottawa and he said this in regard to maintaining a fair relationship between the returns from agriculture and those from other occupations:

> This, in our opinion, is more helpful than saying parity, which can mean many different things. You can call it parity or whatever you like.

Mr. Gardiner: That is correct.

Mr. Diefenbaker: Then the Minister of Trade and Commerce, almost on the same day, speaking before the farmers' union of Alberta, said:

> We have seen the unpleasant results of parity pricing in the United States.

Mr. Speaker, all you have to do is pay your money and take your choice.

Mr. Gardiner: They are both the same if you read them. We are both opposed to the application of parity as in the United States.

Mr. Diefenbaker: There seems to be divided responsibility between the Minister of Agriculture and the Minister of Trade and Commerce. The Minister of Agriculture wants a certain kind of action and the Minister of Trade and Commerce strongly adheres, and continues to adhere, to his declarations of the past regardless of their application to the present.

The loan system that was evolved is a sham and a delusion. It is meaningless. Farmer after farmer comes to me and says, "I can borrow from the bank without that because I have the credit." Farmer after farmer is turned down by the banks in western Canada. Then, in addition to that, there is the other point that the farmers find themselves in a position of having to swallow the pill of paying interest on their earnings, paying interest on their year's work. Surely, Mr. Speaker, even at this late date the Prime Minister will give reconsideration to the declaration made yesterday by the Minister of Trade and Commerce which can be interpreted as nothing else but placing a final stamp of disapproval on farm-stored grain.

What a mess! Granaries filled and farmers unable to sell. What an example of disorganization! The Leader of the Opposition said yesterday that there was 100 million bushels of available terminal space at the head of the lakes of the Pacific coast.

Mr. Howe (Port Arthur): It is not true, but you can repeat it again.

Mr. Diefenbaker: I have heard the minister say before that a statement was not true, only to have it proven true, as was the case with his statement on February 16 last.

Here are the figures. I simply take them from the grain statistics weekly issued by the dominion bureau of statistics, and they indicate that the amount of general storage in Canada today is approximately 600 million bushels, 598 million bushels.

Mr. Howe (Port Arthur): That is the nominal storage; you can discount that by 10 per cent.

Mr. Diefenbaker: The minister can make his speech later.

Mr. Howe (Port Arthur): I do not like these phony statements being put on the record.

Mr. Diefenbaker: There is no one in this house who has more often created a surplus of chaff than the minister. The dominion bureau of statistics grain statistics weekly, page 1, indicates that there is in storage in Canada 364 million bushels of wheat. Then there are other grains, oats, barley, rye, flax seed, etc., equal to 157,049,000 bushels. This makes a total of 521,809,000 bushels. Deducting the amount of available storage, that would leave over 100 million bushels still available and unused. How does this happen? It is because of another failure. They set up a transport controller who apparently does everything but control. The figures show that we are short of box cars.

I have available here the January 11 issue of a bureau of statistics bulletin which indicates that during the year 1955 the number of grain cars used decreased by some 31,000; grain products by some 4,900; coal went up; concentrates went up; gasoline and fuel oil; sand, gravel and crushed rock; iron ore some four times; lumber, timber and plywood; newsprint and various other commodities went up materially in their use of freight cars. Why cannot we in western Canada receive a fair and proper allotment? What is the reason? Is it because the hauling of wheat is not profitable? Is that the answer? Is it because some other commodities are more profitable? I pose these questions and I ask, is that not another example of the kind of thing that has caused the greatest emergency in western Canada's history. There is available space for storage which is unused because of the shortage of freight cars.

The Minister of Trade and Commerce himself, when he spoke in Edmonton to one of the organizations meeting there in the month of November, said we were 10,000 cars short in the western provinces. What is this but another example of what the Leader of the Opposition called yesterday the inertia of a government too long in power, disdainful of the wishes of the people and of the needs of the times?

I have only a few more minutes left, sir. I want to place before the government a number of suggestions that have come to me from farm representatives in western Canada. I do so with diffidence because of the remarks of the Minister of Trade and Commerce in July last when he said in effect that he did not listen to anything the opposition said. I am addressing these remarks to the Prime Minister. I ask him to realize that today the Canadian farmer on the whole is not sharing equitably or fairly in the national income with the other sections of the country. The prairie farmer is the worst off. Today his income has been cut down approximately 50 per cent from the high point of several years ago.

We are not asking for a handout. The western wheat farmer has not received handouts. We are asking for a measure of justice, not the dubious hopes that are to be found in a royal commission set up to determine Canada's economic position 25 years hence. What we want today is action. The fundamentally important thing is immediately to make available cash advances. Second, immediate action to make available the necessary box cars so that the farmers will be able to sell what they have to the extent of the available storage. Why can that not be granted?

These are two things for which we ask. They will not cost anybody anything, because if you get an advance on account of your wheat you cannot fool anybody. You cannot commit a fraud on anybody because you have no quota book, and there is no quota book for thieves.

The Leader of the Opposition yesterday mentioned the disposal of those portions of the surpluses of wheat that are a little better than feed. Is there not some way that that wheat can be removed from the main terminals? Can there not be co-operation brought about between the federal and the provincial authorities so that in the form of government guaranteed bank loans the eastern farmers would be encouraged to purchase

their feed requirements in advance and thereby utilize storage space existing at the present time at the terminals and also on thousands of farms in western Canada? I can see nothing in the way of doing that. Today the farmers are throttled; they cannot sell anywhere except to the wheat board. Surely, the first thing is to do something to remove that surplus of unsaleable wheat; that is, unsaleable for human consumption.

I should now like to refer to the remarks of the Secretary of State for External Affairs (Mr. Pearson), which were made when he was in Europe, to the effect that there was a possibility of trade in wheat with Russia. The Minister of Finance (Mr. Harris) seemed to admit that something along that line was taking place, but he said he did not want to become involved in a discussion on wheat.

The NATO organization is being challenged today as never before. Is there any possibility of strengthening that organization in the interests of economic unity so that the various NATO countries will, in unity of purpose, set up something in the nature of a food bank, as advocated by the FAO, to the end that strategic quantities of durable farm products will be maintained in a central place? If that were done, the surpluses would be removed from the farms not by the destructive conditions of the 1930's but by the government and placed in a position where in the years ahead they might be utilized for the benefit of mankind.

What consideration has the government given to the United States plan to set up a soil bank program in that country? Today we have something similar under the P.F.R.A. under which submarginal lands are taken out of production. Is there not something inherently good in the United States plan which could be made available to Canada so that we could meet the problem with which we are faced today? We are going to have many surpluses in the future so long as technological skill and reasonable climatic conditions remain.

Is it not also time to give reconsideration to proceeding with the project which has received the continuing support of the Leader of the Opposition, namely, the Saskatchewan dam and irrigation project? The Secretary of State for External Affairs opened the new Canada dam in India, a dam that will irrigate 250,000 acres, with an ultimate objective of 600,000 acres. I believe in the Colombo plan and its extension; but surely, while we are engaged in such a plan in another country, we on the prairies in Canada and in the province of Saskatchewan have the right to ask whether the time has not come to give favourable consideration to the request of the western provinces to proceed with a similar project here. The Minister of Agriculture has often suggested, the building of this project so that when the days of famine come again in western Canada we shall be able, through its instrumentality, to diversify our agriculture and raise our economic level to that of some of the other provinces.

(*Translation*):

Mr. Gerard Legare (Rimouski): Mr. Speaker, before I state my reasons for speaking today, I should like to congratulate the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. We had already become familiar with the warm, convincing, voice of the hon. member for Timiskaming and we knew that she would open this debate with wise and judicious remarks. The new member for Bellechasse has revealed himself as a valuable asset for the right wing of the house and we are grateful to the electors of his constituency for sending to this parliament a young man full of talent, life and spirit.

Now that the house is called upon to study many measures of more or less immediate effects on the economic future of the country, I should like, at the beginning of this session, to emphasize the dangers which threaten us unless a better balance can be established between progress in industry and that of agriculture.

We have learned in the speech from the throne that parliament will be asked to enact legislation designed to help the farmers of western Canada. We easterners shall gladly do so, knowing that the effects of an economic upset in the prairie provinces would soon be felt out here.

However, if the west has its problems we also have our own, and even though they are not mentioned explicitly in the speech from the throne we expect that this parliament will continue its policy of agricultural price support. If we go back to 1944, the year when that legislation was enacted, we see that the avowed intention of the legislator was then to provide sufficient and steady revenues for the farmers during the period of transition from war to peace and—today this is the most important point—to seek to achieve a fair balance between the revenues of agriculture and those of other fields of endeavour.

This fair balance does not yet exist and all legislatures should try to achieve it. On the other hand, agriculture in Quebec and Ontario would have been depressed long ago if that legislation had not been passed 12 years ago.

A superficial examination of the problem might suggest that it is illogical to maintain

price support in the case of butter for example when there seems to be overproduction. On going deeper into this problem, we find two things: if the support price goes down, production will immediately decrease so that it will no longer be sufficient for domestic consumption. We will then have to import butter. Then, too, the income of farmers will fall and they will quit the farm, which will lead the agricultural economy to bankruptcy.

And here I wish to congratulate the government on having found ways and means to dispose of the butter surpluses of the last two or three years without dislocating the market of allied countries. There has been criticism of our sales of butter to iron curtain countries at prices lower than those prevailing on our domestic market, but those who make this criticism seem to forget that the crux of the problem is to sell our butter without weakening our local marketing position and without affecting the support price.

The government can sell its surpluses to anybody, to Russia or communist China if need be, at any price it can obtain. That is a secondary matter. The point I wish to emphasize is this. The government should ensure the producer a return high enough to cover his costs of production. Our workers understand that the farmer needs money to buy the goods they themselves produce. They know also that, before the implementation of legislation regarding the support price of butter, they paid as much as 80 or 90 cents a pound for this product. I am therefore pleased to congratulate the government on its policy in this field and I urge it to give even closer consideration to the gap between the revenue of the farmer in Quebec and that of other classes of workers.

The dairy industry plays an important part in the economy of my constituency. Besides, the province of Quebec has the largest milk production of the whole country. This production has kept growing since 1950, from 4,830,000,000 to 5,575,000,000 pounds. A third of this production is sold as fluid milk and the rest is used in the manufacture of butter and cheese.

This single industry brings Quebec an annual return of some $170 million. Quebec is also the largest butter producer and last year manufactured close to 120 million pounds. In the production of cheese, it comes second, Ontario being first with 61,827,000 pounds in 1953 as compared with 13,600,000 pounds in Quebec.

[Mr. Legare.]

If the province of Quebec is the largest milk producer it is also the greatest consumer of this product. Daily consumption represents 1·06 pints per capita, whereas the average for the country is 0·86 pint. These few figures show the importance of that industry in the province of Quebec, and the necessity for the governments to give it their constant attention.

And as the overproduction of wheat in the western provinces will again be discussed at length during this session, I would also like to say, Mr. Speaker, that in part of my constituency, as well as in some of the neighbouring counties, last summer drought almost completely ruined the grain crops. This winter, a great many farmers who were able each year to sell a few hundred bushels of grain will have to buy $500, $1,000 or even $1,500 worth of grain. Such losses are beyond their means, and it is to be hoped that the Catholic farmers' union can get the provincial authorities to solve this problem if necessary with the help of federal authorities.

If the speech from the throne contained nothing of interest for the Leader of the Opposition, I was glad for my part to learn that the National Housing Act will be amended so as to provide for an increase of the amount and number of loans granted; that the bank for industrial development will be authorized to widen its field of action; that the Canadian farm loan board will be able to grant larger loans; and that a group of women workers will receive better pay.

On the other hand, we know that the government is trying to reduce winter unemployment, that it is planning to assist more unemployed and, finally, to improve all its services.

I want to seize this opportunity to congratulate the government for improving the air service to Quebec and in the eastern sector of my province. There has been increased activity at the airports of Mont Joli and Rimouski, in my riding, and this increased traffic should be maintained. Mont Joli has an airport of considerable importance which could be used more freely, and I would ask the Department of National Defence to consider the possibility of stationing a squadron there.

The people of Trois Pistoles were glad to hear that their town will get a public building and they hope to obtain the necessary votes this very session.

To conclude those few remarks, Mr. Speaker, I should like to call the attention of

the government, particularly the Department of Transport, to the need for a new icebreaker built to provide winter navigation between both shores of the St. Lawrence, east of Saguenay. No longer can water transportation of food and materials be suspended for three or four months each year. Industry is fast developing in this area of the province and the population there is likely to double within a few years.

Before long, mining operations and the development of new industrial communities, both on the north and on the south shores, will call for more powerful ferry boats designed to operate all the year round. But a fairly regular service can be maintained only if an icebreaker helps them from time to time. I know, for that matter, that recommendations to that effect will be made before the Gordon commission by some industries on the north shore.

In closing I congratulate the newly elected members in this house and I hope they will find in their new responsibilities the satisfaction arising from well-performed duty.

(*Text*):

Mr. H. R. Argue (Assiniboia): Mr. Speaker, it would be easy for hon. members of the house to come to the conclusion that the present agricultural situation in this nation concerns only the farmers of the three prairie provinces, but I am afraid that that conclusion would not be correct. The agricultural crisis that exists in Canada today is one that faces agriculture from one end of the nation to the other. It is true that it may be more aggravated in the prairies, but nevertheless the crisis faces farmers in all provinces.

I hold in my hand the *Economic Annalist*, an official publication of the dominion bureau of statistics. The *Economic Annalist* takes the base period 1935-39 and indicates the prices of agricultural products as being equal to 100. Then for the same base period it indicates farmers' costs of production as also being 100. The latest index for prices of farm products is 225. Yet the index for farmers' costs of production has gone up since the late 1930's by an even greater amount. The cost of production index for agriculture today is 241. Thus according to the economists and statisticians of the federal government, as published in the *Economic Annalist*, this is a more adverse price-cost relationship than even in the late 1930's. In other words, prices for agricultural products across the country today in relation to the farmers' costs of production are even worse than they were in the late 1930's—worse today than when the Minister of Agriculture first took office in 1935.

The crisis in the prairies is not one that faces farmers only. As a matter of fact, it affects almost everyone in those three provinces. Certainly the businessmen who have advanced credit to the farmers have large amounts on their books and are as deeply concerned in solving this problem as are the farmers themselves. So the need to solve the agricultural crisis is important to the whole Canadian nation, to the people in all provinces, and to the businessmen and the farmers on the prairies in particular.

The crisis has not developed overnight. As a matter of fact, the trend has been apparent to a great many of us for a long time. We have seen sales of farm products going down. We have seen sales and exports of grain going down. We asked the Minister of Trade and Commerce time and time again, not only what the government was going to do to increase sales, but how he could explain the very serious deterioration in the sales of Canadian wheat. On 15th February, 1955, as shown on page 1157 of *Hansard*, he replied to a question of mine as follows:

> Mr. Argue: Am I to take it from the minister's statement that he is saying that export clearances of wheat during the present year will be greater than last year?
>
> Mr. Howe: Oh, yes, during the crop year, yes.

He stated that export clearances of Canadian wheat would be greater. As a matter of fact, they were down from a reduced figure of 255 million bushels the previous year to 251 million bushels last year. The export figure of 251 million bushels was down from an export figure of 385 million bushels two years before. Exports of coarse grains are also down. Two years ago Canada exported 119 million bushels of barley, and last year exports of barley were down to 77 million bushels. Two years ago we exported 65 million bushels of oats; last year exports of Canadian oats were down to just 22 million bushels. That is a very rapid falling off in Canadian sales of grain. Worse still, the trend is continuing.

The Prime Minister said yesterday that he has information that in recent weeks sales are up, but I have here the very latest export figures issued by the board of grain commissioners for the period 1st August, 1955 to 4th January, 1956. These show that the Canadian exports of wheat are down by a further substantial amount. They are down to only 76·2 million bushels in that period from 99·6 million bushels the previous year. In other words, while a year ago our exports of wheat were lower, and we were concerned about it, but in the crop year to date they are running 23½ per cent under last year. Unless there is an improvement in

export sales for the balance of the crop year, at this rate we shall export in the present crop year less than 200 million bushels of Canadian wheat. With this huge surplus of wheat on hand even if we did not get a crop for the next three years, at this rate of selling Canadian wheat at the end of a three-year period we would still have a surplus on hand. That is the situation. Is the Minister of Trade and Commerce able to comprehend it? Apparently not. As late as 28th March, 1955, he said:

> Our percentage of total sales has been reasonably good.

While the Minister of Trade and Commerce was away in April the Minister of Public Works was Acting Minister of Trade and Commerce. I asked him what was happening to Canada's sales of wheat, and he had this to say, as shown on page 2940 of *Hansard:*

> The situation is that Canadian export sales in the present crop year have been substantially higher than during the last crop year.

He even went one step further. He said:

> Canada has been retaining her place in all her established markets and has indeed got an increased share in many of them.

That was what the Acting Minister of Trade and Commerce said. On 13th May, 1955, the hon. member for Humboldt-Melfort (Mr. Bryson) asked the Minister of Trade and Commerce a question along the same lines, and the minister replied:

> There is no drop from last year in the sales of Canadian wheat.

How can we have confidence in the policy of the government? How can we have confidence in the statements of the Minister of Trade and Commerce? How can we have confidence in the statement of the Prime Minister yesterday that sales are improving, when every statement as to the sales made last year and since has been proven to be incorrect, since exports of Canadian wheat in the crop year just ended were even lower than the figure for the previous year, and exports in the current crop year are running 23½ per cent below last year as of 4th January, 1956?

That is not the only place where the forecasts were lamentably inaccurate. We were interested to know whether the policy the government was following with respect to the wheat board would be such as to get the grain off the farms. As late as 7th July, 1955, the Minister of Trade and Commerce had this to say as to the farmers' likely ability to deliver their grain before the end of the crop year. As shown on page 5803 of *Hansard,* he said:

> I am still confident that before the next crop starts to move we will have off the farms all the grain that producers now wish to deliver.

He was completely wrong. The Minister of Trade and Commerce, three weeks before the end of the crop year, with the experience he has in the grain business and with the officials he has in his department, surely must have had information that suggested that there would be a very large quantity of grain on the farms and it would be impossible for farmers at that late date to deliver all the grain they wished to sell before the new crop came on the market. As a matter of fact, at the end of the crop year there were approximately 100 million bushels of wheat alone in farmers' bins, and other grains totalled almost 100 million bushels. So the Minister of Trade and Commerce's forecast was rather inaccurate. He was upward of 200 million bushels out, three weeks before the statistics were compiled and produced. I ask him at that time, on the same day, whether the eight-bushel quota would be delivered. He said that there would be lots of box cars by that time, adding, "And then my hon. friend will have nothing to complain about."

Mr. Howe (Port Arthur): The eight bushel quota was delivered.

Mr. Nicholson: Not then.

Mr. Argue: Well, I asked if the eight bushel quota would be delivered before the end of the crop year.

Mr. Howe (Port Arthur): No, it will not.

Mr. Argue: That is what I asked about and the minister said "Yes". I took it from the minister's answer that he was saying that the farmer would be able to market his eight bushel quota before the end of the crop year.

Mr. Howe (Port Arthur): They marketed it shortly after the end of the crop year.

Mr. Nicholson: Not before.

Mr. Argue: As recently as one month ago thousands of farmers in western Canada had yet to deliver their eight bushel quota.

Mr. Howe (Port Arthur): I deny that. I will give you the figures.

Mr. Argue: The *Star-Phœnix* published a report in the first part of August to the effect that in northern Saskatchewan 60 per cent of the farmers had yet to deliver their eight bushel quota.

Mr. Howe (Port Arthur): It was not true.

Mr. Argue: And I personally know farmers who a month ago had not yet delivered their eight bushel quota.

Mr. Howe (Port Arthur): They had a permit to deliver it.

Mr. Argue: The minister says that they had a permit. Certainly they had a permit, but the elevators were full and the box cars were down in the United States or had disappeared some other place. There is a whole lot of difference between a permit to deliver and some place to put the grain when the farmer wishes to deliver it. I think the minister should take a lesson from what has happened in the last 12 months and not make statements that are inaccurate and will be proven inaccurate.

Mr. Howe (Port Arthur): I am particular from whom I take lessons.

Mr. Argue: Well, if the minister would take lessons from some members on this side of the house he would not be making the wrong statements he is making almost every time he refers to the grain situation.

Mr. Howe (Port Arthur): I will make many more statements.

Mr. Argue: The minister has one answer to the problem. He has a resolution on the order paper whereby the national treasury will make certain payments for the carrying of stocks of grain in excess of 178 million bushels after the first of August of last year. I am glad that resolution is on the order paper. We will certainly support it but it will not meet the situation. As a matter of fact, by itself it will do very little to cope with the situation. I want to say to members of parliament outside the prairie provinces and to others who are already writing in some eastern papers: Do not think that the few millions of dollars that will be spent as a result of the passing of this legislation is something that is a handout to the prairie producers or in fact is something that will be of benefit to the prairie producers only.

The huge mountain of wheat, oats and barley in the prairie provinces that is undelivered, in the farmers' yards, stands as a threat to the agricultural industry from one end of this nation to the other unless something is done about it. The farmers of Ontario have a stake in what is done with the grain of western Canada. The resolution on the order paper now will never convince the prairie farmers that the government means to advance money on the grain and to buy the grain or that the farmers will be able to obtain an income from their year's work. However, it at least gives them some ray of encouragement that maybe after a long, long sleep the government is finally rousing and beginning to view dimly the magnitude of the problem.

If the farmers of western Canada should ever be convinced that they are not going to be able to sell their grain, and decide to feed it to livestock, livestock prices and prices for dairy products across the nation will collapse. They are falling now as a matter of fact because they are already below the selling floor that has been established under pork by the Minister of Agriculture (Mr. Gardiner). Suppose the prairie farmers should decide to do this. Suppose they should decide to take 10 per cent of the wheat surplus, maybe 100 million bushels of wheat being 10 per cent of the surplus last fall, 50 million bushels of oats, 10 per cent of that surplus, and 33 million bushels of barley, 10 per cent of that surplus, and feed this grain to livestock. If it were put into hogs there would be 1,800 million more pounds of pork produced in Canada this year than have ever been produced before. This is twice as much pork as the total quantity produced in Canada in 1954.

The Minister of Agriculture thinks he has a little trouble now with some surplus butter. He has also had a little surplus pork. But let the farmers on the prairie provinces decide that in order to get some money out of their grain they are going to have to feed it to hogs then the hog market will collapse. With the collapse of the market for pork, the market for beef will also collapse. If the prices of coarse grains collapse there will be an increase in the marketing of cream and butter and then the government's legislation may not be able to stand the strain of the increased quantities of dairy products that will be coming on the market.

Therefore I say that everyone in Canada should be supporting the very small step that is now being taken to deal with this problem. Once again I regret the policy is to pay something only to the elevator companies. Why does the government not start with the farmers? In this situation I believe the farmers are more important than the elevator companies and that if storage is to be paid to the elevator companies as will be the case, then storage should be paid on farm-stored grain. If you were to pay storage to the farmers, as could be done, on their surpluses of grain you should add a further clause to the resolution saying that you would pay storage on any surplus over 47 million bushels of wheat at August 1 which is the average carryover in the last 20-year period. Pay farm storage. It would give some encouragement to farmers to keep their grain on the farms in the expectation that they would be able to sell it instead of having them feed

it to livestock with the most devastating results that are bound to follow.

What is the government doing? Net Canadian exports are now running less than 200 million bushels. The government is doing nothing for the farmers. I attended a great many farm meetings last fall, mass meetings called by farmers' union organizations and others.

Mr. Howe (Port Arthur): I attended several meetings on the prairies myself.

Mr. Argue: I have yet to meet one farmer in western Canada, outside Liberal party politicians, who is in favour of the bank loan legislation. The farmers want advance payments. They want advance payments as of right. They want advance payments without interest. They think that after they have spent a year's effort on their farms and have produced a crop they should not have to pay interest on their cash asset.

The farmers of western Canada unanimously support cash advances on farm-stored grain, the very thing embodied in the amendment moved yesterday by the hon. member for Rosetown-Biggar (Mr. Coldwell). We in the C.C.F. are not recent converts to the proposition that an advance of 75 per cent of the initial price should be paid on farm stored grain. On December 3, 1951, I moved exactly the same resolution in this house in precisely the same terms. If that resolution had been accepted by the government in 1951 and legislation placed on the statute books of the nation, we would not be facing the crisis in western Canada that we are facing at the present time.

What about these guaranteed bank loans? The farmer with thousands of bushels of wheat in his yard has to go cap in hand to the bank as a beggar and plead for a loan. He does not go there with any right to a loan. He does not go there with any right to a loan of even one dollar. What the banker will say to him that morning depends on how the banker feels. As related to me, the general practice the banks of western Canada are following is that first of all they ascertain whether or not the farmer has $3,000 worth of grain on his farm and then they say that half of the value of that grain is $1,500. They then find out if he has sold any grain, flax or anything else. Then they take from the $1,500 the value of the grain he has already sold since the first of August. Then they ask him if he owes any taxes and whether the municipality is collecting those taxes by way of seizure of proceeds at the elevators. They take the value of his unpaid taxes from the $1,500 and in other cases the bankers are saying to the farmers: "If you are in arrears to the bank already to the extent of $500, we will take that off too."

Mr. Howe (Port Arthur): They have no right to do that. They are not doing it.

Mr. Argue: The minister says they have no right to do that. I say to him that the banker has a right to say no to every farmer who walks into his office under this legislation, because the banker has all the rights and the farmer has none. Even the bankers do not like the legislation either. They think it is poor or loose banking practice for the minister to suggest what in their opinion may not be very good loans. The bankers are not happy about the situation. The elevator agents are not happy about it. The farmers wanted advances through the wheat board and the elevator system. They wanted to go to their elevator agent and to get an advance from the elevator agent and they wanted to get it without interest. The Minister of Trade and Commerce (Mr. Howe) said: "Oh no, you cannot do it that way. After all, the elevator agents are not used to the banking business; they are not accustomed to making loans; they have not sufficient ability to make loans of this kind". But since the legislation was announced, a few weeks later, I noticed that apparently the elevator agents in western Canada in the meantime had acquired a great deal of ability because they are being held responsible for collecting the loans. From any experience that I have had, it is much easier to lend money than it is to collect it. While not having enough ability to make loans, the elevator agents in western Canada personally are being held responsible for sending the cash tickets to the bank whenever the farmer draws in a load of grain, if he has received one of these bank loans. The farmers in western Canada are unanimously opposed to this kind of legislation. It is wrong in principle. The farmer should not be obliged to pay interest on his own money. It is wrong that he should not be able to obtain some money as of right. Hence I again emphasize the necessity, even at this late date, of the government's bringing in legislation to provide cash advances on farm-stored grain.

The great job ahead is to move the grain finally. We cannot leave it on the farms indefinitely. We cannot leave it in our elevator systems indefinitely. After a number of years its value will deteriorate. No matter who is paying for it, the value of it will be eaten up in storage costs. In some of the annexes on the prairies—and I have seen many of them—there has been definite widespread spoilage. If we are going to maintain the value of our investment, we must

move our grain. The private grain trade—the grain exchange—and all those opposed to the Canadian wheat board are saying to the western farmers: "Drop the price of wheat and it will move". I think that is a fallacy. I do not think that the dropping of the price of Canadian wheat by 25 cents a bushel or 50 cents a bushel would move any more of it. Perhaps it would not move even a bushel more. Why would it move any more wheat? Our wheat is already being offered at a low price. As a matter of fact, the wheat producers in Canada are now being paid the lowest price for wheat paid to producers anywhere in the world. The United States farmer gets $2.08 a bushel. The Argentine farmer gets $2.72 a bushel. The United Kingdom farmer gets $2.24 a bushel. The farmer in France gets $2.61 a bushel. The farmer in Switzerland gets over $4.00 a bushel, and up to $4.50 is paid to the farmer in Chile. Does anybody think that by dropping the price of Canadian wheat you are going to sell any more of it? If they think that, they are not acquainted with the facts.

What action does the government take? What does it do about the situation? It makes trips to Washington. That is about all it does. It goes down there and says to the United States government: "We do not like your policy; it is a give-away program and gifts are bad. Your program is doing us a great deal of harm". They complain. Yet the United States program is not just a give-away program. It has many other aspects. They accept local currency; they will make barter deals, long-term contracts and so forth. Giving away is only one small part of it. Is the Minister of Trade and Commerce against giving wheat away, I wonder. I do not think so.

Mr. Howe (Port Arthur): No; not to countries that need gifts of wheat.

Mr. Argue: He is not even against Canadian wheat being given away.

Mr. Howe (Port Arthur): No.

Mr. Argue: The Minister of Trade and Commerce is so much in favour of Canadian wheat being given away that I am sure he was highly pleased in the four years between April, 1948 and March, 1952 when $490,700,000 worth of Canadian bread grains was given away. That was wonderful. Our wheat was being given away at the rate of $122½ million a year and the minister said, "It is wonderful. The Americans are paying for it". When our wheat was being given away under the Marshall plan in that four-year period, what did the government do? "Oh," they said, "we are selling Canadian wheat; you see we have a good Liberal government in Canada that has found markets for Canadian wheat and we are paying you in good hard Canadian dollars". It took all the credit for the United States give-away program which was giving Canadian wheat away and paying for it in United States dollars. Now the United States have decided that they are going to continue some gifts of wheat but when they give wheat away, they are going to give away some of their own wheat instead of going to another nation, buying wheat and giving it away. When the Minister of Trade and Commerce and other members of the government go down to Washington to talk to Mr. Benson and President Eisenhower, they shed gallons of crocodile tears about the United States give-away program, but they were perfectly happy to take credit for the United States give-away program from 1948 to 1952 when they were giving away Canadian wheat and paying for it in United States dollars.

In the present situation in the United States I think the United States policy is sensible. I think it is the only policy the United States government can follow at this time. Instead of going to Washington and saying to the Americans, "You are doing the wrong thing and you should stop it," I would suggest to the Minister of Trade and Commerce that he should say to them, "With regard to wheat you have a surplus problem and we have a surplus problem. We want to get together to adopt a common policy to solve our mutual problem and we are prepared to adopt even some of the measures that you have adopted since those measures are proving to be successful". These measures include accepting local currency and making barter deals.

The Canadian government has only one policy, namely cash on the line. Most nations in the world have not Canadian dollars; they have not our kind of money. Hence they are unable to buy the wheat we have to sell when we offer them wheat and accept only dollars in return. The other nations of the world are not doing that. The other nations of the world are willing to sell wheat on the various bases to which I have referred. The strange part of it is that these unorthodox methods are working for all the other exporting nations. For the crop year which just ended Canada was the only country of the four major exporting countries of the world that lost exports. Our exports dropped from 255 million bushels to 251 million bushels. United States exports went up from 211 million bushels to 276 million bushels. Argentine exports went up from 110 million bushels to 134 million bushels and Australian exports went up from 63 million bushels to 94 million bushels. That program of accepting local currency, of barter arrangements and gifts, is

working for every other exporting country in the world and is helping them to increase their sales and pay their farmers good prices. Only the Canadian government is sitting back with a dog in the manger policy, unwilling to look at the situation with an open mind, unwilling to make any changes in policy, and rapidly losing Canada's position in the markets of the world. The fact that our sales have dropped and are dropping from 385 million bushels, export, in the year 1952-53, to a rate today running at less than 200 million bushels is appalling and a disgrace. I ask the government to undertake these further measures to see that Canadian sales and Canadian exports of wheat are improved before there is any further deterioration in the markets for Canadian wheat or any further deterioration in the position of agriculture in the west.

The government has a big budget. There is nearly $2 billion budget for defence. Let no one say there is no place to get the money to buy up the necessary surplus grain and send it to the nations of the world who need it. It is still true that two-thirds of the people of the world are undernourished. The food and agriculture organization reports make that statement. I feel we would be doing more to protect democracy, doing more to build good will if we were to concentrate on a program of economic assistance rather than concentrate almost wholly as we are now doing on the building of armaments. I should like to see a very large program of economic development and economic assistance. I should like to see the Canadian government establish a big fund to help develop the underdeveloped countries.

With our defence budget of $2 billion, with our gross national product running at over $26 billion, I am suggesting that an economic development fund of $1 billion would not be too high and would be a very small price to pay for the beneficial results that would flow in building good will for Canada, good will for democracy, good will for the west and in solving, as it would, the burdensome surplus of agricultural products. This situation is more serious on the prairies than it is in other parts of Canada. I ask the Prime Minister, I ask the Minister of Trade and Commerce, and I ask the other members of the cabinet to remember that the people in Manitoba, Saskatchewan and Alberta are Canadians too and that they should be entitled to the same economic standard of living as that available to Canadians in other provinces.

I ask this government to come to the assistance now of its fellow Canadians in the three prairie provinces. If it does not do that, agriculture will deteriorate even further on the prairies and it will deteriorate further across Canada. It will be in danger of being crippled, perhaps permanently. I ask this government now, during this session, not to stand idly by any longer while the agricultural industry of this nation is being destroyed.

Mr. J. E. Brown (Brantford): I should like first of all, Mr. Speaker, to offer my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. The hon. member for Timiskaming (Mrs. Shipley) has already made an excellent contribution to this house in so many respects, and we on this side of the house rejoice very much in having her as one of us. Her long experience in municipal and public affairs before she came to this house has made her a very valued member of parliament and one whose advice and assistance it is a privilege to share. She has an astute and an unusually clear and analytical mind. I am sure that she will make a very great contribution to public life.

The hon. member for Bellechasse (Mr. Laflamme) has already acquitted himself well in his maiden speech. He, too, has shown marked ability. I know he will be a worthy addition to this house and we are very happy to welcome him to this corner of the house.

Some weeks ago I was interviewed by officials of the Y.M. and Y.W.C.A. and the recreational association at Brantford respecting a study of the physical fitness of the young people of Canada. They drew to my attention certain newspaper articles, and articles in magazines, and told me what they knew from their own experience about the apparent rapid decline in physical fitness amongst our youth. I was very much interested, Mr. Speaker, in what these young men told me. I was sufficiently interested to read a little bit about this subject since I was approached and I decided I ought to bring the matter to the attention of the House of Commons at this time.

Last year a nation-wide survey was conducted by Sports College which is a non-profit organization devoted to educational services through research to provide information in the fields of sports, health and physical fitness. Sports College discovered that only one in six Canadians has even a minimum of physical fitness. The survey covered a sample group of some 51,000 Canadians from 14 to 50 years of age. It was found that only 13·2 per cent of Canadian males and only 27·2 per cent of females could pass simple tests in physical fitness. Ontario showed the lowest physical fitness standard of any province in Canada, where only 10·3 per cent

passed the test. In British Columbia 34·8 per cent passed; 29·5 per cent in Manitoba and 14·8 per cent in Quebec. Sedentary workers had the lowest physical fitness rate of any vocational group and heavy physical workers the highest. Only 17·8 per cent of executives passed the tests and only 12 per cent of students.

It was found in the survey that the youth of Canada is decidedly unfit. Only 14 per cent passed the minimum tests. Rural people far outclassed city dwellers in fitness levels, and towns and villages were well ahead of the cities. But on the whole out of a total of 51,555 Canadians tested only 8,532 or 16·6 per cent passed the tests.

Now, I understand that by physical fitness is meant functional efficiency or ability adequate to handle daily work and recreational loads without undue fatigue and with sufficient reserve for physical emergencies and special stresses.

Being physically fit means being able to carry on comfortably the normal daily activities of life, with a reserve for any emergency that might arise and to be able to recuperate without undue effort.

For many reasons I feel that I am one of the last members in this house who should raise this matter, perhaps because of previous lack of knowledge of the subject on my part. Mr. Speaker, never having known what it was to be underweight at all, perhaps I should not embark on a subject of this kind. But just as a man who occasionally drinks too much might possibly be a good temperance lecturer, I decided to brave speaking on this particular subject.

The reason for our low standard of physical fitness is, of course, our high standard of living. The very same situation that exists in Canada today exists in the United States, and I imagine that their figures might be even a little worse than ours. They have alarmed the President of the United States, and before he was taken ill with this unfortunate heart attack he had called a meeting at Denver of recreational groups throughout the United States to advise him as to what to do to stem the tide of physical unfitness. However, my remarks today, Mr. Speaker, are nevertheless wholly confined to Canada.

The relatively poor showing made by Canadians at the British Empire games at Vancouver in the summer of 1954 served to focus attention on the state of physical fitness in Canada. I am told that many of our contestants at running, swimming and jumping were unable to finish the course and were among the first to give up. To contest successfully in these sports requires endurance and stamina to a marked degree, and endurance and stamina in persons are developed by physical fitness.

Physical fitness tests made in Europe show that European people are far ahead of Canadians. In tests made there only 8·7 per cent of European youngsters failed. In certain strength tests made in the United States 35·7 per cent of the children failed, but only 1·1 per cent of European youngsters failed in the same tests. In Austria and Switzerland, only ·5 per cent of the youngsters failed. I am satisfied that European nations have Canada badly beaten in the matter of physical fitness.

The local recreational leaders of Brantford emphasized to me that there was no over-all policy or leadership in the field of physical fitness. Individual athletic groups can work only among their own organizations, and I was told there was no over-all leadership and no over-all direction. In the past in Canada boys obtained sufficient exercise at home doing the chores, but in the mechanized age in which we live they do not get this type of exercise. The only exercise that they receive is exercise under supervision. As I see it, the problem is going to get worse instead of better in all age groups, particularly as the need for constructive use of leisure time becomes more and more important. The recreational directors federation of Ontario suggested a royal commission should investigate the state of physical fitness in Canada and the constructive use of leisure time. It was thought that a royal commission would take a broad view of the subject rather than look at the situation from the particular point of view of any sport. It might be well worth while for the government to consider such a matter.

I know that the government, and particularly the Department of National Health and Welfare, is not unaware of this situation regarding physical fitness. I have read the excellent speech of the parliamentary assistant to the minister which was made at the time of the British Empire games. In that speech he referred to many of the points which I have mentioned this morning.

Will you call it one o'clock, Mr. Speaker?

Mr. Speaker: If I appear to be reluctant to grant the hon. member's request it is because we all realize that in a debate where a time limit has been placed, we must save every minute.

At one o'clock the house took recess.

The house resumed at 2.30 p.m.

Mr. Brown (Brantford): Mr. Speaker, before the one o'clock adjournment I was drawing the attention of hon. members to the state of physical fitness of the Canadian people, in particular the young people of Canada. I had given to the house some figures and statistics published in sports magazines and elsewhere which showed a surprising decline in the state of physical fitness among Canadians. These statistics show that we have a situation where one-sixth of the Canadian people only are what could be called physically fit.

I pointed out that fortunately one does not have to be an athlete to be physically fit but merely able to discharge the normal daily activities which are the lot of the average Canadian with a certain reserve for emergencies and special effort. It was found that Canadians sadly lagged behind the European nations in this regard, a situation which should not exist at all.

This is an Olympic year and I wonder how Canada will do at the Olympic games. I read the other day that Russia has four million men in training from which will be selected the teams to contest the Olympic games. Of course this is done to show the world what can be done by communism. Therefore physical fitness is an important matter, I believe a vitally important matter when one remembers the number of rejects for military service at the time of the last war on the ground of physical unfitness. I wonder what would be the number of rejects in a similar emergency today. Not only is this a matter of health, I believe it is also a matter of national defence and is truly a part of our fight for democracy.

That is why I believe that physical fitness is more than a provincial matter. Undoubtedly it is a provincial matter, but I believe it is also a national issue. No one regrets more than I that the National Physical Fitness Act was repealed last year in this house, apparently without protest. I take my full share of the blame for giving the impression abroad that we members of parliament were not interested. As a matter of fact I hope that some day we will have a new act because I believe this house is composed of members who are most interested. I believe that our Department of National Health and Welfare, headed by its outstanding minister, will take another look at the subject of physical fitness in Canada. If the figures which I have given today are correct, then I think we are faced with a rather disgraceful situation.

I do not think for one moment that the government will stand idly by; certainly the Department of National Health and Welfare will not stand idly by, nor will the members of this house stand idly by and allow the communist countries to train their youth in the way that they are or that they say they are, to be supermen, and then have us preside over what sports editors are calling a nation of jellyfish. I do not think that that situation will be permitted at all.

Before closing my remarks in English, and while on the subject of health in general, may I say also that many Liberal members of parliament are looking forward to federal participation in some sort of national health insurance scheme. Of course health insurance is also a provincial matter, but its standardization across the country needs the participation of the federal government and the federal parliament. We wish the dominion-provincial conference opening on January 23 every success. I am happy to note that the federal-provincial conference of October of last year set up a committee composed of ministers from all the governments in Canada to consider a health insurance program and that the work of the committee is well under way. Not only the people of Brantford but the people of Canada await the day when all Canadians will benefit from this long-anticipated social measure, to which I believe everyone will be willing to contribute.

Before resuming my seat I should like to say a few words in the beautiful language of my French-speaking colleagues with whom it is a great privilege to speak in this house.

(Translation):

Mr. Speaker, many of us who come from areas of Canada where English is the only language spoken look for a chance at least to try using the other official language of the country which is spoken by so many eminent members of this house. A vast majority of the population of Brantford speaks English, but I should not like to miss this opportunity of extending the regards of my constituents to their fellow citizens of the various parts of French-speaking Canada.

Some years ago, there were hardly any families in Brantford who knew French. At that time, my wife and I were meeting with a very small group of persons interested in learning that language. The group held no regular meetings but got together in the homes of the various members and spent charming and memorable evenings.

Today, the situation is entirely different. There are in Brantford quite a number of families that speak French and often we hear that language spoken on the street.

However, the greatest change occurred among the English-speaking people of Brantford. Over the last few years an impressive number of our people have shown a deep interest in the French language. My wife is a member of the university women's club. This club has a French conversation group which meets every Wednesday evening at the home of one of its many members. Meetings have even been held in my own home. At each of these meetings these ladies speak nothing but French. They read French books, carry on discussions in French and study the language with the competent assistance of a French teacher. All have become quite versed in French as they could well prove if they were allowed to speak in this house.

There are evening classes in French at the Collegiate Institute. These courses are naturally followed by adults. They are very successful and a large number of young and old people attend them.

What a change! I am told that what is happening in Brantford is happening throughout Ontario. That is a new and splendid development. It will contribute mightily to national unity. Still, as far as I have been able to see, the French and English-speaking people of this country have always been remarkably united. This new development, this new interest in the French language, will greatly assist us, I am sure, in understanding each other better than at any time throughout our long and happy history of common life in Canada.

(*Text*):

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, first may I congratulate the mover and the seconder of the address in reply to the speech from the throne. Then may I turn my attention to what unquestionably is, in my opinion, one of the greatest problems confronting the Canadian nation at the present time, namely, the question of surplus wheat, which has already been dealt with most ably by several speakers who have preceded me.

In my opinion and, I believe, in the opinion of practically everyone in my constituency, the government's wheat policy is regrettably inadequate. The Minister of Trade and Commerce and the Minister of Agriculture ought to be downright ashamed of themselves for inflicting upon the splendid wheat growing communities of Canada treatment the like of which is not to be found in any other nation in the world today. Every other nation that even pretends to be enlightened indicates at least elementary knowledge of how to appreciate its wheat growers.

Take, for example, France. Last year France exported about 92 million bushels of wheat. On every bushel of it she paid about $1.30 a bushel as an export subsidy, which means that that wheat went on the world's markets at $1.30 a bushel cheaper than it would otherwise have gone on the markets. That is a most serious matter. That French wheat was soft wheat at that, while the Canadian wheat in the main is the finest wheat produced on the globe.

Take the United States. At about the end of November 1955 a farmer near Bismarck, North Dakota, raising 5,000 bushels of No. 1 northern wheat on 250 acres could obtain on every bushel of his entire crop, stored right on his farm, a government loan of $2.10 a bushel, receiving $10,500 for his 5,000 bushel crop. When that loan matures, he will be free to let the wheat go to the government as full repayment of the loan. Contrast that with the contemptible thing that was offered to the Canadian farmers—

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

Mr. Blackmore: Yes.

Mr. Studer: What commitments did that farmer at Bismarck have to make before he was eligible for the loan? He had to vote for and agree to a reduction in acreage. Is that what the hon. member recommends?

Mr. Blackmore: If the hon. member will let me finish my speech, he will not be getting up and making stupid remarks which he will probably have to retract later on. Don't let the hon. member run away with the idea that the hon. member for Lethbridge does not know wheat and the wheat situation just as well as he does.

Mr. Studer: Where do you sell your wheat?

Mr. Blackmore: As I was saying, that is the situation. It was no new thing in 1954. Every farmer in the United States then could put his grain into farm storage and receive $2.21 a bushel. At that time he did not have to make any commitments such as the hon. member for Swift Current infers. But the simple fact is that this was the situation which confronted the ordinary producer of wheat in the United States. Now, once the United States government takes that wheat into its possession, it may keep it or it may dispose of it through export subsidy, acceptance of foreign currencies, gifts or whatever other device may be found necessary to dispose of that wheat.

In Canada we have what amounts to a declaration from the Minister of Trade and Commerce that no such devices will be used to help dispose of Canadian wheat, even if the farmers in the three prairie provinces starve to death. That is not a very pleasant

thing, but we have to face facts just as they are, take off the gloves and call aces aces and spades spades.

Mr. Studer: Then state the facts.

Mr. Blackmore: The system which the United States will use for disposing of its grain has been called by secretary of agriculture Benson "a friendly but vigorous and competitive basis" upon which to dispose of the wheat. We may not agree, but I do not know whether we, representing 16 million people, have any particular reason to disagree too strenuously with the opinions of a man who represents 165 million people and is quite as qualified a man to make pronouncements as is any man in Canada.

That was the situation in the United States in November, 1955. In Canada on the same date meanwhile, rear Regina, just across the border from Bismarck, North Dakota, a Canadian farmer, having raised on 250 acres of land 5,000 bushels of No. 3 wheat, which I am informed is comparable to United States No. 1 northern, would get, not $2.10 a bushel, but a miserable $1.22½ a bushel—if he could be allowed to market that wheat. Whereas his American cousin was sure he would be able to market his wheat, the Canadian had no idea when he would be able to market his wheat, but the Canadian farmer was allowed to market only 300 bushels, for which he would receive, after his year of work—as his wages for a job well done and thoroughly done, producing results of the best kind to be found in the world—not $10,500, but a contemptible $367.50. The Canadian has to hold 4,700 bushels of wheat on his farm stored unaided, entirely at his own expense and risk. To appreciate how serious that is, all a man needs to do is to be out on a farm, not living in engineering offices and all that kind of thing all his life. If storage opens up, the Canadian farmer may be able to sell up to eight bushels an acre or another 2,000 bushels for $2,230. That would bring his total sales for 1955 up to $2,597.50 while his United States neighbour has $10,500 with which to pay off his bills and prepare for another year of production.

Hardly anything more needs to be said, I believe, to impress upon our good friends in Ontario, Quebec and farther east and in British Columbia farther west how genuinely serious this thing is to the ordinary man trying to make a living and trying to make Canada grow through raising wheat. Into the bargain, the Canadian farmer has to provide storage for 2,700 bushels of unsold wheat on his farm, holding it for no one knows how long.

[Mr. Blackmore.]

It might be well to stop to comment for a minute or two on the importance of first-class storage. If storage is going to be suitable it must be constructed in such a way as to be able to turn aside all kinds of weather. It must be such that it can be aerated. It must be such that it will keep the birds and mice out, keep the cows out in case a mishap occurs, and the horses, the pigs and the chickens, which means that anyone who must put up temporary and inadequate shacks in which to store his grain is going to lose heavily. I am told that in the United States the storage is the very finest kind that can be provided.

I do not propose to go any further into the general aspects of the situation. I propose to canvass the prospects for the future of our Canadian farmers. Those prospects are far from rosy. We live in a world that is new and strange to us, a world that is full of change. If the whole nation works together, even then the risk and the danger will be sufficient. If one group of citizens has to work alone and absorb the impact of these changed conditions I think everyone must recognize the outrage that is being committed against those citizens who must so do.

We must note carefully and carefully appraise each of the many determining factors in the situation surrounding us. May I mention several of those and comment briefly on each one of them? There is in the world a vast amount of human need, as everyone in the house fully knows, wants of people who lack the money with which to buy. At least 1,400 million people go to bed hungry every night, all lacking money to buy. All of this need constitutes enormous potential markets. Everybody recognizes that those markets are available as soon as western statesmen get together and discover a suitable system of distribution.

The all-important thing is that we have not heard a word of western statesmen, if you can call them that, ever getting together and finding a suitable method of distribution. No matter what the FAO tells us is the condition, no matter how much pious longing is expressed, the simple fact is that when they come back here and report they report absolutely nothing concrete. We are still going on under the same system with which we tried to get along 50 years ago.

All round the earth the needs of humanity are increasing rapidly because, first, of the growth of population which is great and, second, the ever-expanding and rising standard of living made possible through scientific discovery. Not only should these 1,400 million people who go to bed hungry

every night have their hunger appeased but they should have decent houses in which to live. They should be able to have refrigerators, deepfreezers, and up-to-date facilities for toilets and the like in the same way that we do. For certain it is being borne in on them that all men are brothers in this world, and if we do not behave as though we are brothers we are facing some real trouble before too long.

This state of affairs simply demands more and more production, not a limiting of production. The hon. member for Swift Current-Maple Creek (Mr. Studer) referred to the reduction of acreage in the United States. I regret that, and I maintain that the United States in reducing their acreage instead of finding an adequate way in which to distribute their grain has committed an unethical act against the other nations of the world, and so shall we if we limit production. Of course we may be forced to do that because we just have not the plain common sense to do anything else, but we will not be discharging our responsibility if we do so.

There is an ever-increasing potential human demand, a demand in terms of need, for greater and greater production of all kinds of commodities by all peoples who have the resources with which to produce. There is implicit in what I have said a declaration of a responsibility resting upon us Canadians which we cannot escape and which we must discharge to our own children and grandchildren, a responsibility we simply must assume in the matter of producing all kinds of grain and especially wheat, food for the world.

The great Creator undoubtedly designed this vast land as a veritable ever normal granary for producing foods of all kinds. Imagine the inadequacy of a generation of Canadians who, because they have not sense enough to devise a way to distribute the goods, stop producing them and leave unused the great wheat-producing areas of our western plains and in other parts of the country for the production of almost every kind of human food. Food we must produce for the teeming millions unable to produce the grains they need.

We forget that we have here a vast area with very few people in it. Oh, we are aware of it in a general sort of way but right down inside ourselves we forget that because we possess this vast area with very few people, while there are areas where there are almost unbelievably many people crowded into a square mile, it becomes our duty to help produce food for those who are restricted in their resources.

The second general fact facing us is that many of our farmers—in fact all our farmers —will find their markets becoming less and less available largely because the nations that used to buy our wheat are finding their difficulties increasing which are making it—

Mr. MacDougall: I am sorry if I bothered the hon. member who is speaking.

Mr. Blackmore: I hope the hon. member is finished with his conversation. No comment is necessary, I think. Many of the nations are finding the difficulties of international trade such that they do not dare risk trying to sell enough of the goods they can produce for enough foreign exchange to buy the wheat they need. These nations are feeling a more and more pressing urge to produce their own wheat. For example, in the period 1935-39 France imported an average of 2·5 million bushels annually. That was a chance for us to sell wheat. But last year she exported 92 million bushels, as I have indicated.

Why has France changed from an importer of wheat to an exporter of wheat? She has changed simply because she has discovered that no longer is there a certain market for most of the commodities which she has produced over the years. Consequently she has no assurance whatsoever that she is going to be able to buy on the world's markets the wheat she needs. Hence she subsidizes the production of wheat in her own country. As a result, in good years she gets a great surplus which she must dispose of, as occurred last year when she exported 92 million bushels at prices which we could not begin to compete with.

I have dealt with the factor which involves the truth that so many of the nations which used to import, because of their difficulties, have now begun to produce their own and consequently are exporting. I now come to the third factor that faces us. That factor is this. It seems improbable that in the foreseeable future France and other nations in similar circumstances will change the pattern of production upon which they are now engaged, especially in connection with wheat. Scientific developments and the trading practices of the United States and certain other nations will compel nations to endeavour to become, as far as possible, more and more self-sufficient, especially in respect of foodstuffs, for the sake of their own self-defence and security.

The United States herself has done and is doing that very thing. They will do this much as Canada has been doing in respect of rubber. Formerly, we produced no rubber in Canada. We bought our rubber from Malaya. We now in large measure produce

our own rubber. Thus Malaya is deprived of the means of buying wheat from us and we are deprived of a market. Will anyone in this house, or would anyone in authority throughout this country, advocate that we discontinue the production of rubber in Canada and run the risk of being in a position such as that in which we found ourselves during the last war? Not a one.

So we are going to continue producing our own rubber. We are already producing much of our gas, oil and many other things that we need, and in due time we shall produce yet more and more of what we need so that we can be self-sufficient and shall not incur the danger of impossible adverse trade balances such as those we are now suffering from. This very tendency of various nations to produce within their own boundaries what they must have will prevent Canada herself from buying substantially more British goods and thus providing Britain with more Canadian dollars with which to purchase Canadian wheat.

I grow a little bit weary, Mr. Speaker, of listening to a good many of the members in the house railing at the government for inefficient methods of selling our wheat. I think many of those people who engage in that foolish talk would be well advised to give careful thought to what I have just been saying. It will not matter how much our government tries, or how many devices it uses to sell wheat in France; France for the present will not take our wheat any more. So it will be with a great many other nations that formerly were our markets for wheat.

The fourth factor of great importance is this. Wheat and grain production generally is likely to increase in areas having resources permitting grain production. Regardless of whether or not the United States limits acreage, whether we limit acreage or whether the world as a whole tries to limit acreage, we are going to have certain other considerations entering into the picture. For example, better varieties of grain are being discovered right along. Finer fertilizers are being perfected. Methods of insect control are being adopted as well as methods of weed control. Great improvements in machinery are taking place. Every one of those advances makes it possible, under ordinary conditions, to produce more grain on the same area of land. These factors are going to come into action still more in the future. We might as well face these facts rather than endeavour to live in a fool's paradise.

The fifth factor is this. Already embarrassing world supplies of wheat have been augmented by a 1955 world total production of 7,300 million bushels, compared with a 1945-49 average of 5,895 million bushels and a 1935-39 average of 6,085 million bushels. By reference to some of these figures of production we see that we have accumulated close to 1 billion bushels of surplus wheat in the world for 1955 alone. That does not indicate very much opportunity in the future for us to dispose of surpluses. Even if nations like France who formerly bought our wheat were to open their doors and again buy some of our wheat, we still should find nations like Australia, Argentina and others endeavouring to thrust their surpluses into the gap provided by France. This is another fact which we simply must recognize.

I come now to the sixth factor. The whole world at this moment waits under the shadow of unimaginable disaster through nuclear warfare. Everyone in the country realizes that fact. Would we not be wise to store up a quantity of the grain which we possess against a time when dangers which we have no way of avoiding might more or less wholly impair much of our land for production for two or three years? If such a disaster were to come upon our children, how improvident they must consider us to have been when they look back upon us and think of what we could have done for them, but did not do, just because we did not have the sense to do it.

Then there is the seventh factor. Up to this present moment the so-called free nations, whether through unpardonable ignorance, indifference, stupidity or mischievous influence, have stubbornly omitted to adopt any effective method of distribution either internally or internationally. I referred to that matter a moment ago. I thought the hon. member for Macleod (Mr. Hansell) did very well last night in bringing to the attention of those who were in the house how utterly and contemptibly inadequate our financial thinking is when compared with our thinking in terms of producing and accomplishing all manner of things physically.

This matter just cannot be laughed off. We have grandchildren coming up and they will realize our utter inadequacy for the age in which we live. Why not do something about finding how to distribute? I am not insisting that we use the method I have in mind, the Social Credit system. Let anyone who thinks he can distribute by any other means bring his plan forward; let us have something done.

These seven factors all tend to show, as I see it, that the farmers have no justification for expecting any change in the near future. Meanwhile the grain of a great many of them

is lying in elevators with mounting storage costs, which is another matter to which I believe far too little attention is given.

We come now to a possible solution of the difficulty. Once more I should like to commend those who have spoken before me. Everywhere in Canada most unfortunately, and in the west as well, there prevails a vigorous divergence of opinion as to what should be done about our wheat problem. Government spokesmen, and I suppose their paid agents on the C.B.C. radio stations, have been dinning into people's ears the fact that the United States made a terrible mistake by encouraging production, treating her farmers well and all that sort of thing. They have argued that she has run into surpluses, so let us not do that. But they never tell us what to do. Apparently what is in their minds is that the thing to do is to turn all our farmers out on the prairie and say, "Root, hog, or die."

May I now, in deference and humility, suggest what appears to me to be the only principles upon which a really satisfactory solution of the surplus wheat problem can be based. In offering these proposals may I state that I am speaking for myself and not necessarily for the Social Credit group in this house or the Social Credit movement throughout Canada. I do not dare say that I speak entirely for even my constituents, because I have not been able to consult any large percentage of them to make sure what they think. When I have talked with them I have found they seem to be utterly at sea. They know something ought to be done, but they expect somebody higher up to tell them what should be done.

Two Social Credit conventions in the Lethbridge riding in the fall of 1955 approved these proposals I am about to give. I think others would have done so had they had the opportunity. Here are the four proposals. The first is the provision of adequate facilities for storing wheat on each wheat growing farm. Without such provision it is rather unrealistic to talk about advances to farmers on farm-stored grain. Once we have adequate facilities that will turn the weather, turn the insects, turn the rodents, then we are able to proceed. That therefore is the first thing.

The second proposal is for immediate payment, not within the next five, six or seven months, on wheat stored on farms to cover full average costs of production plus a living allowance large enough to cover the average costs of carrying on. The hon. member for Rosetown-Biggar (Mr. Coldwell) suggested that not less than 75 per cent of the price per bushel be paid. This was a good suggestion. My suggestion is probably just a little more flexible than that. I am not sure that 75 per cent of the price per bushel will cover the cost of production and give the producers sufficient to cover living costs. The hon. member's wording indicates that he feels as I do, about the matter.

My third proposal is provision for the payment of storage on farm-stored wheat, such payment to be made in kind. The object of this policy would be ultimately to return to the wheat grower possession of the wheat stored on his farm, strictly on condition that the wheat grower would keep such paid for and returned to the farmer grain off the market until market conditions became favourable.

That may sound strange, but what it actually means is this. If the government buys the wheat on a man's farm and pays him for it, then the government could either adopt the policy the United States apparently has been following of continuing to pay money for storage on that wheat or it could say to the farmer, "Now, every year we have our grain in your bin we will pay you part of the grain back so that in due time you will own the grain and you will own the storage in which the grain is cared for." I propose the latter alternative.

Quite obviously, just as soon as the farmer owns the grain and the storage facility in which the grain is stored, then it will become his responsibility and his pleasure to take care of the grain without having storage paid on it. It is my judgment that if the United States were to adopt that one principle they would remove from the shoulders of the government a burden which is crushing them financially and in other ways.

Now, the fourth proposal is that the financing of all phases of this farm storage plan should be done through the Bank of Canada. I am sure the government believes that the Bank of Canada is a very stable institution. It should be the institution through which Canada could make financially possible what is physically possible. I favour calling upon the Bank of Canada to do its job. If it cannot do its job, I want to know why it cannot. I believe it can if properly managed. Consequently, the money which would be advanced to the farmer to build this approved storage would come out of the Bank of Canada at an interest rate of not more than 1·5 per cent. The money to pay for the wheat would come out of the Bank of Canada.

In this case probably the government would have to borrow the money from the Bank of Canada and distribute it through the wheat board. There might be various technical means whereby the money could be issued

to the farmers, but the original money would come out of the Bank of Canada and not from the Canadian taxpayers. This is the money which would go to pay for the wheat. To pay for the storage as I have already suggested the government would simply begin turning back to the farmer the wheat it had already bought from him, so that ultimately he would own the storage, he would own the wheat, he would have been paid for the stored wheat and would be in a position to carry on in the future. The only restriction he would be under would be that he could not sell that grain unless conditions warranted it. Probably he would be required to receive a permit from those who would be administering the whole wheat situation.

Of interest to those seeking a solution to the problem of the present glut of wheat in Canada will be a Canadian Press report of a statement on the subject issued by Premier Manning of Alberta. Let me read the report which appeared in the Lethbridge *Herald* of December 22, 1955. I am not sure I shall have time to read all of it. It is headed, "Two-Price System to Solve Glut—Manning's Plan", and is written by Phil Adler, Canadian Press staff writer:

Two methods of solving the problem of surplus grain on the prairies were suggested Wednesday by Premier E. C. Manning of Alberta.

He said in an interview that Canada should accept soft currency for wheat or negotiate new trade agreements by extending credit through the Bank of Canada.

The farm-born premier who grows grain and raises 110 head of cattle on his 300-acre farm near Edmonton also advocated establishment of a federal grain bank "to meet fluctuating conditions" and spoke in favour of a two-price system for wheat.

Mr. Manning, Social Credit premier of a province which produced 133,000,000 bushels of wheat this year, said the grain surplus was a long-range problem which cannot be solved by interim measures. But interim measures were necessary.

Soft currency should be accepted up to a "reasonable" amount, the amount depending on the economic status of the country concerned. He said convertibility of all the soft currency would not be necessary providing the agreement was made on "specific terms" which would give Canada "prior preferred rates" on the country's exports. Wider trade with other countries would result.

Write Off Advances

Dealing with extension of credit through the Bank of Canada, Mr. Manning said no one will suffer if credit advances were written off.

"The farmer will be paid in full for his grain," he said. "The Canadian economy will benefit from the farmer's spending."

The whole economy of the country was based on buoyant agriculture economy.

New trade agreements should vary from other contracts. Canada should take from the wheat-buying country any goods economically possible for the country to export, providing the goods would not disrupt Canadian trade.

Speaking of the intangible benefits of selling wheat to needy countries, Mr. Manning said "it will go a long way to break down conditions which cause communism."

He said costly war materials made from resources which cannot be replaced are written off whereas food comes from a source which continues to produce.

The premier said there was "strong justification" for a two-price system for wheat. The domestic price "should and can be controlled in fairness to economy" and the export price should be the best possible.

He also said the federal government "would be well advised" to establish a grain bank to meet fluctuating conditions caused by war, crop failure and the like.

[Mr. Blackmore.]

I do not pretend that Mr. Manning had in mind the proposals I have offered, but I think almost anyone will notice there is a sort of similarity between the two. In any event, Mr. Speaker, if we adopt a method of that sort we shall not be sitting by watching the farmers being driven off their land. That is exactly what is happening today. The government is supinely sitting here under the ivory towers while farmers with their grain in storage are having the price of that grain eaten up by storage rates until they have nothing left with which to discharge the responsibilities they have to enter into in respect of their farms, until the first thing we know one farmer moves out and another one moves in. In other words the farms are seized, not by the government but other people, some of those whom the government permits to do the job. Communism hardly does any worse than that.

Imagine the outrageous injustice. Men who have been on the land for 30, 40 or 50 years and have built up homes, find themselves driven from their homes not through any inefficiency on their part, or any imprudence whatsoever, but by a set of circumstances over which they could exercise no more control than they could over the sun; and all this is permitted by a government that pretends to be the friend of the farmers and pretends to be giving Canada good government.

While the suggestions I have outlined may not commend themselves to every hon. member, I think every hon. member will realize they have some chance of solving the problem which now confronts us.

Mr. A. M. Fraser (St. John's East): Mr. Speaker, in rising to take part in this debate I should like to associate myself with all the previous speakers in extending very hearty congratulations to the hon. member for Timiskaming (Mrs. Shipley) and the hon. member for Bellechasse (Mr. Laflamme) on the excellent quality of the speeches in which they moved and seconded the address in reply to the speech from the throne.

I felt it was singularly appropriate that the hon. member for Timiskaming should move the address in reply to the speech from the

throne in which the government indicated its intention to extend the principle of equal pay for equal work to women employed in all occupations under federal jurisdiction, a principle which she and the other women members of the house have consistently advocated.

I would like also to congratulate the Prime Minister and the cabinet on their positive and constructive approach to the problems which Canada is facing at home and abroad. This approach is fairly reflected in the policies outlined in the speech from the throne.

First, as regards external policy: Canada, I am sure we will all agree, has an enviable reputation in world affairs, thanks in large measure to the skill and devotion of our distinguished Secretary of State for External Affairs (Mr. Pearson) whose constant efforts in the cause of peace have won for him the gratitude and admiration of the whole free world.

It is clear from the speech from the throne that the government is taking a realistic view of the dangers implicit in the international situation. As the speech states, the government remains "convinced of the need to maintain the defences of a free world as a deterrent to war."

In particular, I find myself in entire agreement with the government on the great importance which it attaches, and rightly, to the North Atlantic Treaty Organization. I have always regarded NATO as essential to the security of the Atlantic community. My conviction in that respect has been strengthened by the opportunity I had last year to see something of the work of NATO at first hand. Like the hon. member for Timiskaming, I was privileged to be one of the group of Canadian parliamentarians to attend the NATO parliamentary meetings in Paris last July. We had the great privilege of receiving briefings from Lord Ismay and other senior officials at Palais de Chaillot, and from General Gruenther, Field Marshal Viscount Montgomery and other high-ranking officers at SHAPE at Fontainebleau.

This authoritative exposition of the aims and methods of NATO convinced me that this great defensive organization has achieved a degree of military integration among free nations unprecedented in time of peace.

Our subsequent visit to the the Canadian army and air force bases in France and West Germany enabled us to see for ourselves the truly magnificent contribution which Canada is making to the NATO defence system. We all came away, I am sure, deeply impressed by the high morale of the Canadian forces and the excellence of their equipment. Not only were those service men and women helping to defend the frontiers of freedom in western Europe, but they were on the best of terms with the local people among whom they lived. They were Canadian ambassadors of good will, imparting a better understanding of the Canadian way of life and obtaining in return a fuller knowledge of Europe and its peoples, a knowledge and a sympathy which they will carry back with them to Canada. The long-run effects of this mutual understanding will be of incalculable value. Canada has every reason to be proud of her contribution to NATO.

The primary purpose of NATO is, of course, to deter aggression, but it is important that NATO be more than a military alliance. The NATO nations have developed a common defence policy, but if NATO is to continue strong, if it is to attain its full potentialities for good, this collective defence system must be buttressed by co-ordinated action to achieve economic expansion and greater social welfare.

This, I believe, is especially vital in the present phase of competitive coexistence when the struggle between the free world and the communist bloc is being waged more and more clearly in the economic field. Moreover, increased emphasis by the NATO countries on economic, social and cultural co-operation would go a long way to combat the pernicious propaganda of the communists that NATO is merely an aggressive alliance. I would therefore urge the government to continue and, indeed, intensify its efforts to persuade the other NATO governments to implement article 2 of the North Atlantic treaty.

As the speech from the throne so truly says, "security cannot rest on arms alone". The house, I am sure, will support the sincere and unremitting efforts which the government is making to improve international understanding, both by means of diplomatic negotiation and through the medium of the United Nations.

In particular we have all been thrilled by the initiative which Canada took at the recent session of the general assembly of the United Nations. And here, Mr. Speaker, I would like to express my warm admiration for the outstanding success achieved by the Minister of National Health and Welfare (Mr. Martin) and the other members of the Canadian delegation. By their tireless efforts and patient negotiation 16 new member countries have been admitted to the United Nations. As a result that organization has become more truly representative of world opinion than ever before, a fact which cannot fail

to increase its effectiveness, particularly in the economic and social fields. The admission of the new members was indeed a resounding victory for the cause of international co-operation.

The government has given further proof of its constructive approach to world problems by its decision to continue and to increase its contribution to the Colombo plan. This decision I am confident will have the wholehearted approval of this house. It is a decision inspired by a genuine desire to help the peoples of the economically undeveloped countries of Asia to help themselves to attain a higher standard of living. It is inspired also by enlightened self-interest, since experience has shown us that the more widespread prosperity is throughout the world the more prosperous we ourselves will be. It is inspired also by the belief that economic aid and technical assistance to the peoples of less developed countries will reduce the danger of war. The more healthy the economy of a country, the less likely it is to fall victim to external attack or internal subversion. Thus the Colombo plan and other similar projects diminish the area of potential conflict and thereby serve the cause of peace.

I turn now to some of the internal features of the speech from the throne. As it points out, the past year has on the whole been a prosperous one for Canada despite the serious marketing difficulties encountered by our great agricultural industry, particularly our wheat farmers. The year 1955 has been the most productive year in Canadian history. Our export trade has been greater than ever before. More Canadians have been gainfully employed than ever before. I am confident that the house and the country will derive great satisfaction from these striking proofs of the essential soundness and indeed the dynamic character of our economy.

I have very happy to be able to state that Newfoundland has shared in this prosperity. There were unfortunately some weak spots, particularly in certain sections of our fishing industry, but throughout Newfoundland as a whole the record economic level of 1954 was well maintained in 1955 and may even have been surpassed. Production in two of our basic industries, namely, forest products and mining, was at a record height. Construction operations continued at a highly satisfactory rate. The average level of personal income increased. The premier of Newfoundland, Hon. J. R. Smallwood, in his new year's message described the year just ended as the most prosperous in all our history.

In the riding of St. John's East, which I have the honour to represent in this house, economic conditions were very good indeed. At this point I would like to make a special reference to Bell island, the great iron mining centre which contributes so much to the economic stability of my riding. The year 1955 was a most important year in the history of the iron isle for it witnessed the completion of a new conveyor system and the erection of a new ore concentrator. These improvements represent the climax of the great mechanization program which the Dominion Wabana Ore company has been carrying out over the past several years. Since 1949 the company has spent a total of $19 million on the procurement and installation of the most modern equipment for the production, concentration and transportation of its product.

The company has firm contracts for the annual delivery of one million tons of iron ore to the United Kingdom and another one million tons to West Germany. Both contracts extend through 1961. Together with its deliveries to the Dosco steel plant at Sydney, Nova Scotia, these contracts provide Bell island with an assured annual market for three million tons of iron ore before concentration.

While I am on the subject of Bell island I should like to remind hon. members of the privations suffered by the 11,000 residents there in April of last year as a result of the prolonged ice blockade which cut them off from supplies from the mainland for a period of two weeks. That dangerous experience has demonstrated the urgent need for the construction of an airstrip on Bell island. I am happy to say that negotiations have been going on for some time among the federal government, the provincial government and Dominion Wabana Ore Limited for the construction of an airstrip. I trust that these negotiations will be pressed forward to a speedy and successful conclusion so that a recurrence of last year's isolation will be prevented.

I feel very strongly also that the time has now come for the erection of a federal public building at Bell island. Important federal functions are discharged there by three departments of our federal government, namely post office, customs and the Department of Transport. At present the officials of these departments have to do their work in the provincial public building in offices rented from the provincial government, offices which are quite inadequate to their needs. I would therefore urge most strongly that the government take immediate steps to remedy this situation by providing this great industrial community with a federal public buliding.

While I am on the subject of public buildings, I trust that the construction of the new

customs building scheduled for St. John's will be proceeded with this year.

A few minutes ago I referred to the fact that 1955 was a good year for the people of Newfoundland. Nevertheless the average personal income of Newfoundlanders is still far below the Canadian national average. Indeed it amounts to only about half the national average, according to the submission of the government of the province to the royal commission on Canada's economic prospects. At page 122 the Newfoundland government stated that in St. John's proper there are 308 "condemnable" houses. It added, and I quote:

> These are shocking, run-down tenements in slum areas which should have been torn down long ago. There are another 350 to 400 houses which are only slightly better and which will be condemned when the "condemnable" houses are finally removed.

The submission points out that these figures are based on only a partial survey of the area within the city limits of St. John's. It estimates that in the whole of the St. John's area there are over 1,000 houses which should be condemned now. Hon. members will therefore readily understand why the people of St. John's will welcome the far-seeing amendments which the government is proposing to its great National Housing Act.

I wish also to congratulate the government on the arrangement it has proposed to the provincial governments for sharing the costs of assistance to those unemployed persons who are not eligible for unemployment insurance benefits and who are in need. Under this arrangement the federal government will assume half those costs after the number of unemployed reaches ·45 per cent of the population of a province. This is a constructive social measure and will be of great assistance to the provincial authorities in meeting the costs of unemployment relief. As the house knows, the provincial government of Newfoundland has already signed the draft agreement embodying this cost-sharing arrangement.

I welcome also the proposed amendments to the Trans-Canada Highway Act. The problem of communications has always been a very difficult one in Newfoundland because of the dispersal of its population. Good road communications are essential to the development of Newfoundland's natural resources and to the growth of its tourist industry. I am convinced that these proposed amendments will be of great value to Newfoundland, as they will be to the other provinces.

The full development of Newfoundland's natural resources requires social capital on a scale which the provincial government is unable to provide singlehanded. The provincial government has done very much and will continue to do its utmost to build up the public services which are a prerequisite to industrial development, but it needs the co-operation of the federal government. Moreover, the development of natural resources in Newfoundland, as in the other provinces, is unquestionably in the national interest of Canada as a whole.

It is my firm conviction, therefore, that the government of Canada should participate as fully as possible in public investment in Newfoundland, and thus contribute to her industrial development.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, in rising to take part in this debate I naturally associate myself with those words which are always conventional and usually sincere, and in this case most sincere, in expressing congratulations to the mover and the seconder of the address in reply to the speech from the throne. It is a difficult task for one to speak in this house on such an occasion. I know that the gracious lady who moved the address and the young man who seconded it both maintained the traditions that one expects of those performing that task, and this augurs well for their own future in parliament.

I am sure, too, that we all regret the fact that on this particular occasion the hon. member for Peace River (Mr. Low), the leader of the Social Credit party, is not in the house because of illness. I am sure we all hope that in the not too distant future he will be fully restored to health and back with us again.

The hon. member who has just preceded me has stated that the speech from the throne was a courageous approach to the problems confronting Canada. Overlooking any references to external affairs, with which one will not quarrel, if one can say that this speech is a courageous approach to internal problems then either we have no problems in Canada or the government does not have a solution to them, because there is very little in that speech having to do with our own domestic problems.

I was reminded of a statement I heard many years ago in a legislature a long way from here. A Liberal leader, who was criticizing vigorously a speech from the throne which had been brought down by a Conservative government, snorted and sniffed and finally said, "It was as dry as last year's birds' nests". I think that is as apt a description as one could find for this speech from the throne.

Last evening one of the hon. members from Halifax produced his own speech from the throne, in which he brought forward suggested solutions to many problems, none

of which were mentioned in the speech from the throne. One appreciates that and welcomes it. The only thing that bothers one is the fact that members on that side occasionally have the courage to make these suggestions but, when the time comes to vote, they continue to vote for the government and vote against the very suggestions which they sometimes have advocated themselves. This does not add to one's hopes for the solution of some of those problems.

Last night the hon. member dealt with a problem to which he has referred on many occasions and to which I have also referred. I am going to mention it only briefly, but it is one that is becoming more important as the years go by. The question is the whole problem of university education in this country.

If time permitted—and if Mr. Speaker permitted, as I am sure he would not—I could put on record extensive quotations with respect to the problems confronting our universities today. I have one document here that contains statements by gentlemen who are not educationalists and not visionaries, but men such as Mr. Rhys Sale, the president of Ford of Canada, Mr. Douglas Ambridge, the president of Abitibi corporation, and Dr. Solandt, of the defence research board. All point out that we have not enough students attending university, and that of those who are attending, not enough are studying the sciences. In this country, we talk sometimes boastfully, or perhaps wishfully, of a population of 40 or 50 million which we shall attain in the not far distant future. Every one of these men says that if we are going to attain that increase or any part of that increase, we must develop, and emphasize the development of leadership to a far greater extent than we are doing today.

I do not wish to attach too much importance to the scientific field, because I think the humanities also have an important position and one which should be safeguarded. But I read last night a statement by the vice president of Atomic Energy of Canada Limited to the effect that in Russia two-thirds of the students in all the universities are studying applied science and engineering with direct reference to the nuclear world we are entering. Here in Canada less than 50 per cent are studying the sciences, including medicine.

Something must be done to assist the universities in carrying the load with which they are burdened. That problem applies particularly, as I have said before, to our own universities in the maritime provinces. There we have succeeded in maintaining a tradition and a culture—I think a significant one and one of which we are proud—which is virtually the only one of its type left in North America. It has been illustrated during the last few weeks by articles, which I hope hon. members have read, in *Maclean's* magazine, written by different Canadian authors, including Bruce Hutchison and Max Ferguson, dealing with our own particular culture. Perhaps the maritimes are the one place left in North America where we do not make a cult out of financial success itself, and we do not measure success by the size of a man's Cadillac car or by the number of garages a man has or whether he has two or three cars in his garage. The other night I read a magazine article by a leading educationalist in New Brunswick, who said that probably the maritimes were the only place left in North America where a clergyman receiving a salary of $3,000 a year and rendering real service to the community would probably get greater recognition than the president of a huge corporation drawing perhaps $500,000 a year.

If we have succeeded in maintaining that standard—and I believe it is worth while maintaining—our universities have contributed much towards it. Our universities indigenous to our own soil, though rather small, have performed a yeoman service.

They find the pressures today even greater than before.

Without going into the figures, which I have put on the record at other times, I simply want to say again, Mr. Speaker, that I am disappointed there is no reference or suggestion in the speech from the throne of an amendment to the act which would provide for larger grants to universities in general and our own universities in particular. It is absolutely wrong, sir, that a financial system should be worked out under which the universities which need the most receive the least, and that is the situation with respect to our universities in the maritime provinces. The government has not dealt with that problem up to the present, and that is only one of many problems in the field of education and the social services to which I think some attention should have been paid.

In that connection, too, I want to mention the system introduced last year of pensions for crippled persons, which has not worked out satisfactorily and has created tremendous disappointment. I do not suppose there is one member of the house who has not in his constituency a score of people who have been refused a pension when by any law based on practicality they should have received it. The minister said yesterday he was proposing to call a conference. That is always an easy way to deal with things and

to postpone them. I realize that this is a matter of provincial-federal co-operation and that a conference is necessary, but I do know the minister has received many protests during the year and I would have thought there would have been time to call that conference before now. In any event, we hope and urge that some action be taken in that connection before the house rises.

One could go on with omissions, but I do not propose to do that at the moment. The house will be glad to know, as has appeared in the newspapers, that the complaint I have made from time to time about the long delay in connection with the inauguration of the service now given by the *Bluenose* has finally been overcome and that the ferry is belatedly but I believe efficiently operating today between Yarmouth and Bar Harbor. I do not believe it could have been anticipated that it would be put in operation this fall. After all the long delays one would have thought every preparation would have been made, but certainly the accommodation at Yarmouth is of the most temporary nature. I know it is causing concern to the Minister of Public Works (Mr. Winters) right now, and I am quite certain that it was only due to the pressure of public opinion in the last month or two that the *Bluenose* was put in operation this fall. Otherwise it would have been delayed until next spring.

There is one point in connection with this matter that I want to mention. I refer to the rates which are being charged for the transportation of vehicles on the ferry. Some of us remember when the former minister of transport, Hon. Mr. Chevrier, spoke in such glowing and enthusiastic terms about this matter many years ago. At that time he emphasized the important part the ferry would play in the development of the economy of the maritimes, particularly the economy of Nova Scotia, in that our trucks could carry fish and agricultural products with a relatively short haul into the markets of New England and central Canada. That has been expected. Most of us thought that really would be the greatest contribution the ferry would make other than its contribution to the tourist industry, which was an obvious one.

Now, however, we find that the rates which it is proposed to charge are so high that according to the truck men they are virtually prohibitive. Instead of enabling us to deliver more goods more cheaply and efficiently to the markets of Ontario, Quebec and New England, the rates are such that we cannot augment these deliveries and we are virtually bound by the scale of costs which is now in vogue. I realize it is the responsibility of the minister and the C.N.R. to make the ferry operate as efficiently as possible and also not to lose too much money in connection with its operation. But that, sir, is only one factor in the situation. The boat was not built to operate as a financial success. The boat was built—incidentally, the province of Nova Scotia contributed $1,500,000 toward its capital cost—to assist industry in the maritimes in general and in Nova Scotia in particular. It is not going to render that service if the present rates are maintained.

It is true there has been an intimation that the matter is under study and review. Naturally these rates are not like the laws of the Medes and Persians. They are not inscribed on stone and it should be possible, and I say it is necessary, to have them revised. Seasonal rates are not an unknown factor to the Department of Transport or in ratemaking generally in Canada. You have seasonal rates effective in so far as transportation on the great lakes is concerned. During the tourist season when the boat will be taxed to capacity one rate could be charged because at that particular season there would be very little movement of products, but in the middle of September when the tourist trade rapidly falls off I think an adjustment in rates would not only be in the interests of industry in Nova Scotia but also in the interests of the boat itself, because you could then build up traffic in trucks which would be carried and bring about increased revenue which otherwise would be lost.

I raise this matter now because I hope that by the time the minister's estimates come before the house some time this spring he will be in a position to tell us that the rates have been revised. If he does not, I give him fair warning that I intend to urge as strongly as possible that he take action on that score before his estimates go through.

Dealing with shipping for a moment longer, there is one other matter to which I want to refer. I have mentioned it before, and again there is no reference to anything such as this in the speech from the throne. I think it is important. I refer to the necessity of a better and more efficient steamship service out of maritime ports to the Caribbean and South America. We in the maritimes have one asset which is not duplicated anywhere in Canada except in British Columbia. That is our maritime position, our export position. Nova Scotia sticks out like a wharf into the North Atlantic and, as we know, the movement of freight by water is the most economical method.

I know we have a potential market for Nova Scotia, maritime and Canadian products

generally in the markets of the Caribbean and South America, and this problem is not being met. Let me give one little graphic illustration as to just how we were confronted with the problem this year. I think the house knows—I am going to refer to it in a moment —that this fall we were confronted with a crisis with respect to apples, as were other fruit growing districts in Canada. It was possible to market only a proportion of the crop. Certain exporters were able to locate markets in the West Indies for a substantial quantity of apples at a price which was most attractive in view of the competitive rates generally prevailing.

These markets were developed. They were found or financed, but then what did the fruit exporters find? They found that the refrigerated space available from Canadian National Steamships, the only steamship company servicing that area from Halifax, was so small that they could only accommodate a fraction of the order on each ship. As a result less than 50 per cent of the apples for which a firm market had been negotiated in Trinidad left Halifax, and a really substantial loss was incurred by the fruit growers who had looked forward to a very profitable market in the West Indies.

I know there are problems. I know there are exchange problems. I have had some little difficulty in getting permits for the export of Nova Scotia products to the West Indies. In this case, however, the exchange problem was solved, dollars were available, but Canadian National Steamships just had to say, "We are sorry, we have not the refrigerated space and we cannot take your apples."

That, Mr. Speaker, is not good enough. The Annapolis valley is probably as large an egg-producing area today as any other part of Canada. It has developed tremendously during the last ten years. There is a market in Venezuela with no exchange problems. It is a dollar market. They have dollars to burn, based on oil. What do you have to do? You have to rail the eggs in carload lots from the Annapolis valley to New York, or you have to haul them by truck and then reload them on refrigerator ships in New York and take them down to Venezuela, where you have competition from the United States producers. I am told they make a profit. That is not good enough either.

I have a suggestion to make. I have raised this matter before and I am urging it again as one contribution toward the solution of our maritime problems, many of which we must solve ourselves and as to which we are not asking any assistance. But this is a national problem. Private industry cannot furnish these ships because the markets are not there. They will have to be developed slowly and gradually. I have found the department to be most co-operative, the minister to be most apologetic and the Canadian National Railways anxious to serve. But when you have small ships with little refrigerated space there is no hope of developing those markets. That is something which should be done soon.

Speaking of transportation, I would not want to worry the minister with further possible problems which may arise, but I suppose it would not be amiss to give a preview of one upon which I know the minister has already been approached. Undoubtedly we shall hear more about it in the relatively near future. In my own constituency we have a transportation problem across the Minas basin, where before the war there was a regular steamship service cutting off several hundred miles of roundabout drive. We had the distinction, and in this case perhaps the misfortune, of having the then minister of finance in the dominion government as the representative of our constituency. He felt, and properly so, that he had to set an example for economy so that all his colleagues would follow suit. As a result, that steamship which was giving us a daily service and was receiving a subsidy from the Dominion of Canada, found that the subsidy was cut off or disallowed. I am told, in fact I know this, that it was the only steamship subsidy which was cut off in the whole of Canada, but it was to be an example.

The subsidy was discontinued and the boat ceased operation. It has since been sold and of course cannot go back into that operation again. However, a group of men are organizing a company which will have a ship in that service independent of the tides, and one which can operate at any time, day or night. I presume an approach will be made to the Minister of Public Works for the construction or reconstruction of wharves. I know a subsidy will be asked for as well if that ship is to operate as it should. I hope and believe this request will receive the support of the government when it is brought actively or officially to their attention within the next few weeks or months.

Much has been said in this debate already about the problems of agriculture, and I do not intend to repeat what others have said. Coming from the east, I think this should be said. The wheat grower is not the only farmer in Canada who is encountering problems. Farmers generally are encountering serious problems, and I do not think proper attention is being paid by this government to the solution of those problems. I know their solution is not any easy matter.

I know there is no cut and dried solution that anyone can come up with.

We are living in a rapidly changing world in so far as agricultural production is concerned. I do not think that fact has been recognized by those who are responsible for our administration at the moment. We have the problem of bonuses, fire sales, subsidies in other countries, in Europe and in Great Britain. Owing to these governmental techniques the net result is that the farmers in those countries can grow perhaps inferior goods but sell them at higher prices than our farmers can get by selling our goods over there at the moment.

I think study must be given to this whole problem of what we are going to do about subsidized production of agriculture all over the world. Sometimes the estimates of the Minister of Agriculture come down fairly late and we do not have as much time to spend on them as we should like to have. But when his estimates are before the house this winter or this spring I hope he will be in a position to give us the thinking of his officials or the suggestions of his department as to how agriculture is going to fare in this —if I may use a cliché—new world. It is a new world and one with which we are going to be confronted for many years to come. Frankly, as I said before. I do not think any great approach has been made so far to the solution of this problem.

In that connection may I say that I think our whole agricultural price support legislation needs overhauling and review, and that a policy needs to be evolved in connection with it. Frankly, at the moment I do not think we have a policy. I think we have a hit-or-miss approach, one of "do something if you can for this place if there is enough pressure, and don't do it if there is not enough pressure". No farmer knows where he fits in or what is going to happen so far as price support is concerned. I noticed a statement in the press, and it is not from a jaundiced political Conservative viewpoint. I have in my hand a statement attributed to the minister of agriculture from my own province, Hon. Colin Chisholm. When speaking here the other day at the dominion-provincial agricultural conference he said this:

> I don't think we can continue any longer to deal with surpluses as isolated problems, or as problems which can be settled merely by granting price support here and there when extreme urgency calls for it.

I do not think we can do that either. I think something must be done to create price support legislation which will be consistent and rational, which can be understood and which can be brought into effect. I saw the system operating this fall in the valley. As is well known, the apple growers in the Annapolis valley approached the government and asked for financial assistance in September when they were confronted with the biggest crop they have ever had, I suppose, in their history. It was a beautiful crop, a tremendous one, and one which was absolutely beyond their capacity to market, as was true also of growers in other parts of Canada. It was not an isolated problem. It just happened this year that apples would grow on spruce trees, almost, anywhere in North America. In fact, trees that had not been sprayed or looked after for 15 years produced a very good quality crop.

The apple industry, through a delegation, approached the government and asked for financial assistance. That was early in September. The matter went on and on. First the Minister of Agriculture told the delegation from Nova Scotia that they should find out what was the attitude of Ontario, Quebec and British Columbia with respect to this matter. I want to register my own objection, Mr. Speaker, to this particular approach.

Mr. Gardiner: If I may do so, I should like to make a correction.

Mr. Nowlan: Surely.

Mr. Gardiner: That representation was made by Nova Scotia, namely that they knew what the position of the other three provinces was, and we asked them to get it for us.

Mr. Nowlan: I accept the minister's statement entirely. What I am saying is this. Representing Nova Scotia, I want to register a protest against a philosophy or a policy which would require, as a prerequisite to the price support of some commodity in Nova Scotia, the reaction of the growers of the same product in Ontario, Saskatchewan, British Columbia or wherever it might be. I can understand that there might be circumstances and products where that procedure should be followed but it does not necessarily apply in every case. This is a huge country. Each part has its own problems and its own diversifications. What may be the situation prevailing in British Columbia this year has no application to Nova Scotia this year or vice versa, or to Ontario or Quebec.

That is one criticism I make of a hit-or-miss policy or lack of policy. When one is evolved, I say it must be evolved on such a basis that you do not have to say to somebody from one province, "Go and find out what they are thinking about it in another province". As the minister just said, he knew fully and his department knew fully what the other people were thinking about it anyway. It was well

known that Ontario and Quebec, for their own reasons—and I am not criticizing them at all—did not favour price support for themselves. The minister knew that, but for weeks a stall was carried on.

Mr. Gardiner: I do not like to interrupt, but I should like to say we did not know. The Nova Scotia government came to us and represented that the three provinces had a certain point of view. We said all right, but to get that in writing from them. They were not able to get that in writing from them.

Mr. Nowlan: I am not going to enter into a discussion with the minister, Mr. Speaker. All I can say is this. I have kept out of this discussion up to now. I have said nothing about this at any time because I thought the thing was going to fail. I knew it would fail because, quite frankly, I was in Ottawa a week before the delegation came here and I saw the officials in the minister's department. They told me that the attitude of Ontario and Quebec was opposed to ours. It is a strange thing it took the minister five weeks to find out officially, and that he had to get the Nova Scotia officials to tell him what his own officials told me the week before. They wanted to obtain the attitude of Ontario and Quebec simply as a stall, hoping the apples would fall, the apples would rot or freeze or something would happen to them and the problem could be solved in that way.

In the end, following weeks and weeks of delay after the decision of Ontario and Quebec was known, during which time the growers did not know whether to borrow money in order to pick the apples, to borrow money to buy boxes or discontinue operations, a whisper would come down that there was a telegram from Mr. So and so who says that something is going to be done tomorrow. Then there would be another whisper from somebody who would be in communication with somebody who would be in communication with somebody who would be in communication with the Minister of Agriculture who apparently was not so optimistic. It depended on how good a Liberal you were or to whose telephone you had access whether you decided to pick apples or let them freeze on the trees.

Finally the minister announced that there would be no price support this year. I could debate that decision but I am not going to do so. It was a decision he had to make. I think from some points of view he could justify it, but I do not think it is justified from our own point of view. However, I am not debating that at the moment; I am simply dealing with the technique which was followed.

[Mr. Nowlan.]

Mr. Gardiner: That is not exactly correct either. If we are going to have a record, we had better have it correct. I stated that we could not carry out the proposal which they had made.

Mr. Nowlan: There are official records of this, Mr. Speaker, but I have not those records in front of me. The end result was that there would be no price support for the valley this year. The minister went on to say that if they would reorganize, which might be an excellent suggestion, the marketing system and approach him next year, he would give the matter consideration. Of course this is a very broad promise. He said he would give consideration to anything they proposed. Whatever the exact words may have been, the end result was that we were told there was no price support for us this year.

As I have said, for the sake of this argument I am not quarrelling with that decision, although I may on another occasion. But that was not the end of it. Word kept coming that something was yet going to be done. This was the end of October or perhaps almost the first of November. I am speaking now from memory. This decision had been awaited from early September. Somebody says something else is going to happen, but this is not official. Then in November I read in the newspapers that officials from the department were down interviewing the minister of agriculture for Nova Scotia about this matter. Then we find officials of the price support board in the valley studying the case and getting the facts. The minister has a most competent inspection service which could have advised him, and undoubtedly did, every 24 hours as to the number of apples picked, the number in cold storage, the variety and where they were moving. All those things are matters of official record.

However, we had a delegation down to get the facts of the case. Then we had another delegation down to get the facts of the case. Even in December there were studies being made. Actually, Mr. Speaker, you know, in the old days of our great-grandfathers when we communicated back and forth, by smoke signals from hilltop to hilltop, information could have been carried back and forth to Ottawa from the Annapolis valley just as quickly as it was this season. Still these whispers, these thoughts, these hopes continued.

Then I read a most amazing statement attributed to the minister. I am paraphrasing it, and it was made in December when he met the potato growers from Prince Edward Island. He said, "Were I to give price support to potatoes in Prince Edward Island I would have to give price support to apples in the

Annapolis valley". If you can tell me the connection between apples and potatoes, I should like to know it. It is true that the French word for potatoes is pomme de terre and for apples it is just pomme, so perhaps the minister was confused and was thinking in French at that time; I do not know. I cannot find any other connection. If that is the basis upon which we are going to get price support, "because if I give price support to the potato growers in Prince Edward Island I have to give it to the apple growers of the Annapolis valley," then it is high time there was a study of this price support system.

I might remind the minister that when I first came to this house he did not even give price support on that basis. At that time he gave price support to potatoes in New Brunswick and Prince Edward Island, but did not give it to Nova Scotia potatoes. The day I left there was an announcement that price support had come to the valley. I did not have time to read the report, and because of the dislocation of communications in the valley I have not been able to receive any report other than the one I got from a few growers when I left that it was not worth anything. They did not think it would be accepted. Evidently it takes from an early September morning until a cold January morning to find out whether or not you can get price support, and in the meantime the apples are all sold, picked or frozen. This is not a happy situation. I say the time has come when we should have a study of this situation before we can adequately cope with the problems confronting agriculture.

There is one other matter which affected my constituency and upon which I want to make perhaps a few critical references. The disaster that recently hit the maritimes is not the only one from which we have suffered. During the fall and early winter the steamship service connecting our province with New Brunswick was cut off because of a strike, which extended from September until just before Christmas. The western part of Nova Scotia was isolated. The *Bluenose* was not there and the *Princess Helene* was tied up. Industry suffered tremendously. Unemployment was rife, and as I say this strike lasted from September until a day or two before Christmas.

This year we celebrated the bicentennial of the expulsion of the Acadians. We all know the tragic story of their expulsion and of their return around through the isthmus of Chignecto. I may say that if they had come back this year they would have had to travel the same way, because there was no other way of getting into Nova Scotia. The workers did not want to stay on strike. Industry was dislocated. This matter was as important to western Nova Scotia as a rail strike would be to the national economy. For the last few weeks at any rate settlement was held up, and I say this not unkindly but I believe advisedly, by the stubbornness of one man, the president of the S.I.U., who was determined to hold the strike on as long as he could in order to exercise influence somewhere else. We paid the penalty.

In a situation such as that, and one which meant so much to us, I do not believe we got the co-operation and leadership from this government which we deserved and which would have been given had the circumstances been different and had the strike occurred elsewhere. One result of the strike was unwarranted attacks on labour which naturally result when people are angered by such things. It was unfortunate and unnecessary that it should have been allowed to continue as long as it did.

Now I close on a happier note. I noticed that the Minister of Agriculture had his deputy in Nova Scotia last week. He was there for various reasons, probably, but among other things he had a conference with the minister of agriculture and the premier of Nova Scotia on the construction of a dam across the Annapolis river which, if completed, will restore thousands of acres of marshland and will remove the necessity of maintaining scores of miles of running dikes.

I just happened to read that in the paper last night. I smiled because I remembered that when I first spoke in this house, from down in the far corner, sir, I spent some little time emphasizing that question and urging the minister to do something of that nature. I am glad to know that he has had his engineers down there. I understand that surveys have been made and soundings have been taken, and that economically and financially it will not be such a terribly expensive undertaking.

I do hope that the Minister of Agriculture will see his way clear to work with the province of Nova Scotia in this regard. According to the reports one reads, they are prepared to co-operate in such an undertaking. I do hope this is one of those joint undertakings which can be worked out to the satisfaction of both parties, and if so it will be for the good of Nova Scotia.

Mr. H. J. Murphy (Westmorland): Mr. Speaker, in this debate on the address in reply to the speech from the throne, like those who have preceded me, I should like to add

my congratulations to the mover, the hon. member for Timiskaming (Mrs. Shipley) and the seconder, the hon. member for Bellechasse (Mr. Laflamme).

I feel that this debate gives the private member an opportunity to report to the House of Commons generally on the affairs of his own constituency and the affairs of the province or of the nation in general as they affect the people he represents. This year, as in other years, and as long as I am permitted to sit in the House of Commons, I intend to outline to the government the necessity for the construction of the Chignecto canal, but before doing so there are some other matters that I should like to bring to the attention of the government.

The Liberal government has been very good to the province of New Brunswick in the past 20 years. I am not going to enumerate all the good things. The things I pick out are those with which perhaps we were not entirely satisfied. In outlining them I do not mean to say that I do not approve the government's program. I am making only helpful suggestions.

I have informed the Department of Public Works of the necessity of dredging to assist the fishermen of my constituency, especially at Cape Bald, Robichaud, Offer, Dupuis Corner and Little Cape. With respect to the first three mentioned, I have asked for extension so the fishermen will be able to land their fish there shortly after they are caught, and there will be no congestion. If that were done they would have the facilities that should be afforded. At Lower Cape Bald the wharf is the same size as it was 30 years ago, and it is now becoming quite crowded.

There is one harbour in Westmorland county that is in need of special consideration, namely the harbour of Pointe du Chene. This harbour is used by fishermen and shippers alike, but the depth of water is not great enough for ocean-crossing vessels to complete loading their cargo. The channel should be deepened to at least 18 feet to allow fully loaded vessels to enter the harbour. I ask the government to investigate this matter carefully. I have been assured by many of the shippers in the area that if this were done they would use the harbour, and it would give a lift to the economy of that particular area.

I wish to thank the Department of Public Works for the new wharf that is under construction at Emily's Point-Shemogue. I would also like to mention the fact that the building of 110 houses by the department at Moncton is appreciated in terms of employment and lasting effects. During one of the debates last year the hon. member for Saint John-Albert (Mr. Bell) challenged me to say something about assistance to New Brunswick in the development of power. Last year I did that; I used the Colombo plan as an example, and I asked for some consideration for New Brunswick. This summer I read in the press that the Secretary of State for External Affairs (Mr. Pearson) had opened a project under the Colombo plan in the Far East. While I was very pleased to read that, I was sorry that instead of it being in the Far East it was not just down east in New Brunswick. Therefore I again suggest to the government that consideration be given to financial assistance by way of loan or by some other method for the development of power in the province of New Brunswick.

Since I spoke last on the Chignecto canal project, or since I first started speaking on it, most of the hon. members from New Brunswick have also mentioned it in their addresses and have been favourably disposed toward it. Perhaps the hon. member for Saint John-Albert, whose constituency would be vitally affected by it, will have something to say about the construction of the canal this year.

I should like to read to the house a short clipping from the Moncton *Times*, dated November 5, 1955. It reads as follows:

> "The Chignecto canal project is essentially sound," declared Hon. George Drew, head of the national Progressive Conservative party and Leader of the Opposition in the House of Commons, at a press conference in Moncton yesterday.
>
> Mr. Drew was spending a few hours in the city on his way to Nova Scotia in the course of a hurried tour of the maritimes.
>
> In saying he found the project "to be sound after intensive study," he added that "the courage and vision of people before us were responsible for the building of our rail lines." The same, he stated, holds true of canals.
>
> "Throughout history lines of transportation, whether rail or water, have led to progress and I am of the opinion the Chignecto canal is a sound proposition for the benefit of Canada as a whole, and particularly so here in the maritimes."

I know the Leader of the Opposition was sincere when he said that this would be of benefit to all of Canada. I rather expected him to say something about it in the House of Commons during this debate.

In connection with the Chignecto canal project, last fall there was a press release in the Moncton *Transcript* dated September 16. It was a Canadian Press dispatch from Halifax. According to this dispatch a spokesman for the Nova Scotia Light and Power Company made a statement concerning the development of light and power under the Chignecto-Minas project. The dispatch stated that the project would provide 60 times the electrical energy that could be used in Nova Scotia and New Brunswick combined. That

amount of electrical energy could be provided by the Chignecto-Minas project.

The Chignecto canal, of which I am speaking, would pierce the isthmus of Chignecto. For those who are not familiar with the geography of the maritimes may I say that the isthmus of Chignecto is a narrow neck of land which joins New Brunswick and Nova Scotia. The proposed Chignecto canal would provide a short route in sheltered waters for ships running from the St. Lawrence river to the eastern seaboard of the United States, and in some cases would mean a saving of almost 500 miles. Such a canal would increase steamship sailings between the Atlantic provinces and central Canada, and with the completion of the St. Lawrence seaway the route to the eastern seaboard of the United States, Mexico and South America would be shortened by at least 400 miles.

It may surprise many to know that in 1871, shortly after confederation, industrial wages in New Brunswick were the highest of any of the provinces, but by 1946 they ranked second lowest. In 1871 one out of every five industrial workers in Canada was employed in the maritimes, but by 1946 this had dropped to one out of seventeen. During the past few years there have been discoveries of ore bodies in northern New Brunswick and Gaspe which are of such importance that another look at the Chignecto canal project by the government of Canada is very much in line. I think that we are entitled to know for once and for all what is going to be done about this great project.

The extent to which the failure to build the Chignecto canal has arrested development in the maritimes is difficult to estimate. That failure, together with the depression of the 1870's, greatly retarded our progress. Young people of the maritimes when denied opportunities for advancement migrated to other parts of Canada and the New England states which benefited greatly by such migrations.

The volume of traffic passing through our Canadian canals far exceeds the expectations of those men who had the foresight and courage to embark upon a policy of canal construction. The Chignecto canal has been included in federal estimates in the past, but for some reason or other it has never been carried out. There have been ten surveys made of the Chignecto isthmus, and with the exception of minor technical differences all agree that the canal is feasible. The Chignecto canal is a national need and in fairness to the maritimes Canada should keep her promise and build it now.

There is another matter which I should like to discuss briefly; that is the Canadian National Railways, which has a close connection with my constituency. Offices and repair shops of the railway are located in Moncton, and the interests of the employees of the Canadian National Railways are of great concern to me. As a member of the railway committee, to which Mr. Donald Gordon, the president, reports annually, I have become somewhat familiar with the operations of the Canadian National Railways. Although in Ottawa and Montreal Mr. Gordon may be considered the most important man in the Canadian National Railways, to me, representing as I do 5,000 railway workers in Moncton, the railwayman in Moncton is most important.

Not only do these men work for the Canadian National Railways; they take an interest in railroading that money could not buy. Railroading has been their lifelong work; they have spent many years in helping to build up the Canadian National Railways and when a deficit occurs they, like the rest of us, must pay taxes to make it up. As the true representative of such a large number of railwaymen I must make my position clear with respect to legislation concerning the right to strike by Canadian National men. It is not my intention to support any anti-strike legislation dealing with the Canadian National, whether it be introduced from one side of the house or the other.

Before closing I have another request to make or recommendation to offer in connection wtih another corporation. While I approve of nationalization in the matter of the Canadian National Railways, I want to say something about another corporation, the Canadian Broadcasting Corporation. As far as radio is concerned, the C.B.C. has not been brought to my notice by my constituents generally. They seem to be fairly well satisfied with C.B.C. radio, but I do want to say a word about C.B.C. television.

We have a local television station in Moncton which serves us well. Its local programs are good, but apparently productions of the C.B.C. are distributed to local stations to be shown to the viewers there. As more sets are bought in my constituency the more complaints I get about C.B.C. television productions. I have been told that they are terrible, that they smell. Although I am not a television fan I have viewed some of the C.B.C. productions and I must say that the complaints seem to be justified. Perhaps this work could be done better by private enterprise or perhaps not, but my opinion is that it could be better done.

It may be that this is a new type of Canadian culture as distinct from that of our neighbours to the south, but the fact is that it is not being well received by the public who are paying the bills and who should be entitled to view what they want to view.

An hon. Member: They are no worse than the United States programs.

Mr. Murphy (Westmorland): I have no complaint to make about the United States programs I have seen, as I have found them to be quite good. I am not a producer and I do not know how to remedy this, but I do know a finished product when I see one. There must be some way to remedy this and perhaps somebody else has a remedy. Probably issue will be taken with me on this matter, but I am simply indicating the representations which have been made to me by my constituents. They are the ones who have sent me here to make known the needs of the county of Westmorland.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I welcome the opportunity which this debate affords to bring to the attention of hon. members of the house so early in the session a matter which is of widespread interest and deep concern to many of the people who live in the coastal areas of British Columbia, and indeed I think it would be fair to say to the people who live in all the maritime parts of Canada. I am referring to the matter of coastal marine protection services.

In order to indicate something of the interest which this question has aroused in British Columbia I should like to give a few samples of newspaper headings which have appeared in recent months in that province. For example, in the Victoria *Daily Colonist* of September 17 appears the headline "Fishermen ask for naval vessels as alternative to coastguard help". In the newspaper *The Fisherman* of September 13 we find the headline "Union renews demand for proper coastguard". Then again in the Victoria *Colonist* we find on October 2 the headline "Six hundred west coast fishermen ask B.C. mariners' help". On October 17 in the Vancouver *Daily Province* I was interested to see the headline "Marler to inspect B.C. rescue system". On October 18 in the same newspaper, appears the headline "Marler set against B.C. coastguard. Plan 'not practical', states Minister of Transport on tour". Then in the Vancouver *Sun* of the following day, October 19, appeared the headline "Search called off for B.C. fisherman. Gillnetter wreckage found as chill waters claim third life."

All our ships are not lost, as indicated in the October 24 headline in the Vancouver *Province*, "Battered U.S. ship safe in Bull harbour after nearly foundering off B.C. coast". Then on October 31 in the Vancouver *Sun* appeared the headline, "Air-sea search finds fisher beached, safe".

In the Comox district *Free Press* of August 17, there was another headline of interest, which reads, "RCAF crashboat in night rescue. The crash boat of the Comox R.C.A.F. station was called out at midnight Tuesday and rescued a party from Mitlenatch island where they had been marooned by the stormy weather".

These are a few samples from the headlines which have been appearing in various newspapers published in British Columbia during recent months, indicating perhaps why the member for Comox-Alberni, among others, should be concerned with this matter and should be interested to take this opportunity early in the session, once again, of raising this question of marine coastal protection.

I should like to say at the outset that I am not too much concerned about that headline which states that the Minister of Transport is set against coastguards, because it has become obvious to me during the previous sessions I have attended that for some reason or other, whenever anyone mentions the term "coastguard" the government apparently goes into an immediate state of dither, buries its head in the sand and tries to forget all about the matter. That is perhaps why, as far as I am concerned, I am going to attempt to use the phrase "marine rescue service", because essentially that is what the people who are raising the question of a coastguard have in mind rather than a coastguard in the sense in which that term is used in the United States, where that service, of course, has other aspects to it.

An earlier headline I read indicated that fishermen on the coast are greatly interested in this matter and that interest has reached the extent that they have been supporting a petition which has been circulated on the coast during the past few months. I have been entrusted with the honour of presenting that petition to the Minister of Transport on behalf of those people. I should like to make it clear that this petition was not sponsored by any large organization putting on a high pressure campaign to obtain signatures for it. This petition was initiated and circulated by a widow with two small children, whose husband was lost with a fishing vessel off the west coast of Vancouver island not so long ago. Having had the opportunity and the pleasure of becoming acquainted with her,

I must say here publicly that I wish to commend her courage and initiative in doing something about the situation rather than simply sitting at home with her grief.

This petition represents the real feeling of hundreds of the people who go down to the sea in ships, that all is not well with the present situation. I am happy to say that I have indicated the contents of this petition to my colleagues, the other members of the C.C.F. group in this house, and that they are thoroughly in agreement with me in supporting it. I was also very happy to note, according to a report in the Victoria press, that the hon. member for Esquimalt-Saanich (Mr. Pearkes) and the hon. member for Victoria, B.C., (Mr. Fairey) have also indicated that they are prepared to lend their support to this petition. I am sure there are many other hon. members of this house who will be willing to do likewise, particularly those who come from the maritime areas of this country.

Now I should like to read to the house, so all the members may be fully aware of its contents, the statement which precedes the 1,860 names which are thereto attached. This is addressed to Hon. G. C. Marler, Minister of Transport:

> We the undersigned do hereby petition for the establishment of a Canadian coast service which will have at its disposal every modern technological advantage in the hands of trained personnel.
>
> We submit that the present air sea rescue service, admirable in theory, is, in practice, inadequate and inefficient and does not meet the very real and stringent requirements inherent in marine rescue work.
>
> We submit that the present life saving service is poorly equipped, understaffed by untrained personnel, and, with reference to geographic considerations, poorly located. It is well to note that if the present life saving stations at Tofino and Bamfield are justifiable, there are exposed areas of the British Columbia coast, with as much, or greater, marine activity, that have no comparable service.
>
> We submit that because of increasing coastal marine activity, including the development of a Canadian offshore fishing industry, it is imperative that a coast guard service be inaugurated to protect the lives and safeguard the property of those involved.
>
> We submit that the rescue services of Britain, the United States and other nations be taken under consideration and the best features of each, with due regard to the particular and peculiar needs of Canada, be incorporated into a Canadian coast guard.

As I have indicated, this petition has 1,860 names of west coast residents, fishermen and others, attached to it, and I feel honoured to have been entrusted with the task of delivering this to the Minister of Transport. I was very glad to see that the Minister of Transport paid a visit to the coast of British Columbia during the recess. I understand he had an opportunity of seeing firsthand something of that coast on a trip by air from Victoria, I believe it was, to Prince Rupert. I was quite interested to discover a Canadian Press report carried by the Vancouver newspapers containing certain remarks made by the minister as a result of his inspection. In the dispatch he is reported as saying that from what he has learned the present facilities appear to be very good, at least on paper.

I must say when I read these remarks of the minister I had the feeling he was taking some words out of my mouth from the speech which at that time I was mentally preparing for delivery here. The claim has been made more than once by spokesmen for the government that the air-sea rescue service as we know it today is the answer. The Minister of Transport is also quoted as saying that those who urge a coastguard service are apparently unaware of the existing air-sea rescue facilities. Therefore I feel it might be worth while to take a brief look at the air-sea rescue service as it is now constituted, how it is set up and organized, because I want to assure the Minister of Transport that a good many of the many people with whom I have discussed this matter during the recess have had some firsthand acquaintance with just how the service operates.

I myself am not a mariner and consequently have relied a good deal on discussions with people whom I know have had many years of firsthand experience of life on the British Columbia coast through travelling up and down it by ship. Coupled with that, I have tried to make my own observations and form my judgments therefrom. I want to make it clear that while I am in complete support of the submission of this petition, what I have to say about the air-sea rescue service and the suggestions I may make as to what should be done are the result of my own observations and my own judgment of the matter.

I have in my hand a little booklet entitled "Search and Rescue in B.C., 1955 edition". It is a very good little booklet which sets forth quite clearly just what the search and rescue service is and what it is prepared to do. It starts out with the rescue co-ordination centre at No. 12 air defence group, Vancouver, and indicates that there are certain primary and secondary facilities attached to and co-ordinated by that centre.

The primary facilities are the No. 12 communication and rescue unit of the R.C.A.F. stationed at Sea island. I should like to say that the impression I had on my first visit to these establishments was favourable. I felt they were being efficiently run and were

doing, within the limits of what they were able to do, an effective job of organizing the work. Quite frankly, I was impressed with some of the equipment that the communication and rescue unit at Sea island has available for various forms of search and rescue work both on land and by sea. I think it is fair to say my own reaction is in line with the general reaction to the work of that particular rescue unit of the R.C.A.F. I have heard some very favourable comments made on the work they have done.

On the other hand, however, as I think is clear from the wording of the petition, the feeling is not so much one of dissatisfaction with what is there but with what is not there. That brings us to the consideration of this plan which, as the Minister of Transport has stated, looks good on paper. We find that attached to the co-ordination centre are quite a number of various units and organizations of one kind and another. I am going to mention the ones particularly concerned with rescue and search as far as the sea is concerned.

As secondary facilities there are, for example, the vessels of the Royal Canadian Mounted Police, motor launches at various points along the coast. There are the vessels of the Department of Transport, the Department of Fisheries and the British Columbia forest service. That of course is not to mention the various communications services, including the marine radio stations of the Department of Transport. While there are some questions as to communications facilities, respecting the co-ordination of various air frequencies and so on, that have been raised with me, by and large the real criticism does not arise in the communications field.

In addition, of course, there are the vessels of the British Columbia towboat owners' association. In the areas where the vessels of the members of that association operate most frequently there is a feeling that they can do a useful job, but there is a recognition that these boats do not operate everywhere. The same thing applies with respect to the various government boats which are co-ordinated in this centre.

When you add all these various vessels together they appear to provide an impressive number, but apart from the two small lifeboats at Bamfield and Tofino stations none of these vessels is on duty, on call and available for marine rescue work, at any and all times or at any given or known location. That, Mr. Speaker, appears to me to be the weakness of the present set-up, plus the fact that none of the government vessels nor, as far as I know, none of the privately owned vessels that are tied in with this plan are equipped to carry on marine rescue work or carry crews who have been trained to perform marine rescue work.

I have felt more than once that in this respect the set-up is very similar to what would be the case in a city like Ottawa if our house were on fire and we had to rely on going down the street and being able to find a truck which happened to be equipped with a pump and a ladder. The chances of doing that would be rather remote. That, Mr. Speaker, is the feeling of the people of the coastal areas of British Columbia on this matter.

By way of illustration, while I was visiting one of the centres in my constituency this summer I had the opportunity to go aboard one of the larger vessels operated by the Department of Fisheries. There are, as you may know, three of these larger vessels, the *Howay*, the *Laurier* and the *Kitimat*. This was my first opportunity to see one of the larger type fisheries vessel. It was quite a substantial looking boat. One felt that it could go out into the open waters of the Pacific in rather stormy weather. It was well and, I would say, quite comfortably equipped to do the work of the Department of Fisheries. But when I raised the question as to what they had aboard that vessel to carry on any sort of marine rescue work, they had to admit that the boat had no such equipment. I greatly doubt whether, under the present set-up, the crew of that vessel has ever received any special training in the carrying out of marine rescue work.

As I stated earlier, the initiator of a petition which I have read was a Mrs. Ian C. MacLeod of Tofino. I have here her recounting in a straightforward factual manner of just what happened at the time her husband was lost. I feel that this perhaps reveals some of the weaknesses of the present set-up to which I have been referring. This is the story:

On July 30, 1955, a fishing boat *Maidi H* was reported missing with Ian Charles MacLeod of Tofino and a friend Kenneth Wilson from Vancouver.

The Tofino lifeboat and fishermen combed the shore waters and beaches from here—

That is Tofino.

—to Estevan point. Air and sea rescue was contacted. They sent one plane at 11.30 next morning (3 hours late due to fog here) which picked up local observers and searched for 4 hours.

The following day two planes were sent. These searched for 4 hours with no local observers aboard. Two days elapsed. Then pressure was brought to bear on the air and sea rescue and five planes were promised. These agreed to take up

local observers. However, only two planes were sent and the other three were dispatched to search for a plane (carrying government officials) lost near Kitimat making a total of 15 planes searching in the Kitimat area.

This same day August 3rd, the fishery guardian *Comox Post* was requested by a local resident, and arrived from San Juan in the straits of Juan de Fuca late the following afternoon. The *Comox Post* tied up at the Tofino float for the night and started her search the following morning, Friday, August 5.

The forestry boat *Yellow Cedar* was tied to the Tofino float all during the search for the *Maidi H.* The skipper of the *Yellow Cedar* phoned to the forestry branch headquarters to ask permission to take part in the search and he was refused even though, theoretically, this vessel is incorporated into the air and sea rescue service.

This is her statement of conclusions derived from this experience:

1. We need three or four larger and faster and well-equipped boats to patrol off shore during the fishing season, spring to fall.
2. We need more lifeboats, at least two for the upper part of Vancouver island.
3. We need one or two planes based in a central west coast area, R.C.A.F. station, Long Beach. Vancouver is too far when weather conditions are sometimes entirely different between the two areas.
4. We need better co-ordination between the various organizations taking part in a search.
5. Search vessels and planes should be able to communicate on the same frequency band for better co-ordination and co-operation during a search.
6. We need better equipment on the smaller vessels.

I have here one other story which I am going to read, Mr. Speaker. This is the story of an experience of some of the Indian fishermen who live in my constituency, and is set out in this man's own words. This incident happened, I might say, in April, 1952:

We started out about 6.30 a.m. We had few provisions. We went 6 miles out from Rafael point and our engine stalled at 8 a.m. in southeasterly gale. We drifted to Estevan point ¼ mile off shore and the wind changed to a westerly. We drifted for 6 hours at night to Lennard island. The next day 18th we pumped the boat all day and in the evening the wind calmed. Early evening of the 18th we spotted a troller 3 miles abreast. They did not see us. We tried to attract attention with smoke and a mirror. Before dark we spotted a plane directly above us. We tried to attract attention with smoke and a mirror, but they did not see us. On the 19th before midday another plane was flying on the inside of us. We tried again to draw attention with no avail. No provisions and we boiled salt water for the remaining part of the day. On the 20th, no plane. On the 21st we started working on the engine and by 4.30 p.m. she was under way and we pulled in to Tofino about 10.45 p.m.

Each day Nelson Reitlah and Johnathan Thomas worked on the engine. As a result, from 4 days' exposure Nelson Reitlah developed T.B. of the lung and was released from hospital on July 14, 1955.

The next of kin of Nelson Reitlah and Johnathan Thomas and the residents of Ahousat raised sufficient money to bring planes up from air and sea rescue, Vancouver.

Mr. Speaker, I believe that is probably not quite correctly stated. I believe it was a private plane which was chartered.

Chartered plane Ahousat people paid $140. Ahousat people also paid $125 to supply gas for boats to go out on rescue. No help from Indian department.

Those, Mr. Speaker, are but two of many stories which could be told of happenings on the sea along the coast of British Columbia. The conclusions I come to in my own mind are that while certainly the facilities which have come into existence should not be scrapped, nevertheless before we can consider ourselves to have anything like adequate marine coastal protection they must be supplemented by properly equipped facilities, with properly trained personnel who are going to be on the job and available for quick work in the event of disaster at sea. The booklet published by search and rescue, to which I have previously referred, I think does make quite clear that no provision has been made as yet for proper facilities of the kind to which I have been referring. On page 5 of this 1955 edition of "Search and Rescue" appears the statement:

Marine search and rescue in Canada is dependent mainly on co-operation between mariners themselves.

Later on that page it says:

Only when immediate danger or loss of life is involved, or when no commercial or private vessel is available or prepared to take on the job, will a tow be provided by one of the government operated services. Even when such a tow is provided, the master of the vessel so towed is liable to be charged for the service.

The following policy is in effect regarding surface craft in distress:

(a) Whenever surface craft request assistance which involves towing, the rescue co-ordination centre will pass the request to a commercial salvage company operating in the area.

(b) If no commercial company is able to go to the aid of the distressed vessel, then the rescue co-ordination centre will request the assistance of the Royal Canadian Navy, Royal Canadian Mounted Police, or other government vessels.

(d) It must be understood that the search and rescue organization in Canada differs from that of the United States coastguard, in that free towing of vessels is not provided on request.

I cannot help but wonder, Mr. Speaker, whether or not the policy which is presently in effect, and which is the policy stated in this booklet, does not show more concern for the interests of the private towing and salvage companies than for the fishermen and others operating vessels along our coasts. The people who know we have government vessels operating on the coast find it difficult to understand why, particularly when they see that such vessels are attached to a service such as this, vessels which have been paid for by the people of Canada are not

more freely available and more effectively available to the people of Canada who need them.

The fishermen of British Columbia are not suggesting necessarily that they expect a completely free towing service. But they know, as I know, that for many of the areas of British Columbia there simply are no commercial firms operating in a way to provide any effective service. They know, as I know, that there are times when, no matter how much they may desire to help themselves, they cannot do so with the type of vessels they have, and we have some very fine fishing vessels in British Columbia. It is under those circumstances they feel there should be properly equipped rescue vessels available.

I have had it reported to me that in some ways in this connection we have actually gone backward. For example, I have had it reported to me that all during the thirties for about four months every winter there was a naval tug stationed at Bamfield for the purpose of rescue work, supplementary to that provided by the small lifeboats. Let me make it clear that from my own observations of the work being done by the captain and crew of those life boats, they are doing the very best they can. Generally speaking, people of the area are high in their praise of the work they perform. But anyone who sees these lifeboats realizes they are certainly not what one would consider to be modern rescue vessels. They are limited by the very nature of their construction in the type of facilities it might be practical to instal in them, as for example radar.

It seems to me that a rescue vessel which is going to be asked to go out in weather into which no ordinary vessel would venture should have the very latest type of equipment. Certainly radar is one of the great weapons of mariners in combating such things as fog. Anyone who knows the west coast of British Columbia knows that fog does descend upon it on more than the odd occasion. Nevertheless in years gone by naval vessels were made available, and they are not now being made available. There is a story which is rather notorious on the west coast of a case away back in 1951, I believe it was, when the captain of a certain naval tug set forth to rescue a tuna fishing vessel. After having steamed out for a couple of hours off the coast, according to the story, he was ordered back because he had not had authorization from Ottawa.

All these things indicate some of the sources of dissatisfaction with the set-up and some of the reasons for the demand that has arisen that we now have a marine rescue service. The time has come to establish a proper, modern rescue service which would be available under these circumstances to the people in the coastal areas of British Columbia, and I suppose other parts of Canada. These services are necessary. It appears to me these services could be provided without incurring the enormous costs which apparently, as I said earlier, have caused the government to bury its head in the sand every time anybody mentions the coastguard. It is for that reason, as I said earlier, I have welcomed this opportunity of raising this matter almost at the outset of the current session.

Mr. Armand Dumas (Villeneuve): In taking part in this debate I should like, first of all, to convey my congratulations to both my colleagues, the hon. member for Timiskaming (Mrs. Shipley) and the hon. member for Bellechasse (Mr. Laflamme), the mover and seconder of the address. The mover of the address is my neighbour, and as you are able to ascertain, a very good neighbour indeed. She did a wonderful job and her constituents have good reason to be proud of her, just as we have.

(Translation):

Our good friend the hon. member for Bellechasse (Mr. Laflamme) has proved to us that he can most creditably get by in this house. The electors of his riding were right in choosing him to represent them here in Ottawa, and we are all very proud to have him among us.

(Text):

I would not like to let this occasion go by, Mr. Speaker, without extending to you my sincere congratulations and good wishes. I also wish to take this opportunity to transmit to you and through you to all hon. members salutations and best regards from all the people of the constituency of Villeneuve. We are on the eve of a new session. We all came here in order to work in the best interests of our fellow Canadians, and I am hopeful that our deliberations will bear fruit and will be profitable to each and every one of our fellow citizens, from one end of the country to the other.

I intend to talk this afternoon about my constituency and the surrounding district, not because it is the usual practice in such a debate but because I feel that what is going on in northwestern Quebec is of great interest to the whole of the population of Canada. I would also like to acquaint the house with some of the projects we wish to undertake in order to accelerate the more rational development of our natural resources. And finally, during the course of my remarks, in the name of my constituents and for the welfare of our district I will be making a few

suggestions to the government, who in the past have responded so well to most, if not all, of the requests of those whom I have the honour to represent in this house.

With regard to mining in northwestern Quebec, Mr. Speaker, we are taking no backward steps. On the contrary, we are continually going forward. We are producing more and more of the much needed base metals. Our gold mines are still employing more than 4,500 men in spite of the trying times they are going through. We now have a lithium producing mine, the first one in Canada, and it is operated by the Quebec Lithium Corporation. There is a new copper producer in the Chibougamau mining area, and by the looks of things there will be probably two or three more in the very same area within the next year or two. There is every reason to believe that in this country of ours during the next ten years we shall see an even greater expansion in our mining industry than we have enjoyed during the past decade, and we know it was the most active ten years we have ever had.

There are many reasons why we should be very much on the alert regarding the development of the mining industry of this country, and there are certain facts which should always be kept in mind. First, we are sitting on top of a tremendous storehouse containing an immense variety of minerals. This accumulation of riches has only been scratched, and today its extraction from the earth and its processing have created new jobs for a great number of Canadians. For every mine which finally does reach production there are at least 1,000 other properties which are being investigated, thus providing employment for many thousands of men engaged in prospecting, diamond drilling, surveying and all sorts of exploration work. And what is more important, for each man working in a producing mine there are four or five other men working in a related or supply industry.

Second, Mr. Speaker, mining is still the biggest influence in opening up the north country, and lately it has also been bringing booms in more settled areas such as Bathhurst and Little River in New Brunswick, Gaspe and Oka in Quebec, and Algoma, Blind River and Bancroft in Ontario. During recent years mining has been responsible for the building of more new railway lines than all other industries combined. It has tilted the scale in favour of the construction of the St. Lawrence seaway. And finally, what is more important, it has attracted huge sums of foreign capital to this country, thus bringing about much more expansion than would otherwise have been possible. It has created new investment in mining projects to a total of about $1 billion.

Our strategic position adjoining the world's largest industrial nation, the abundance of our mineral resources, the many big projects which either are developed or will be developed shortly, the new Canadian settlements from coast to coast, cannot help but result in a period of growth in the years immediately ahead that will far surpass anything we have experienced up to the present time.

Our mining industry has grown and expanded, and so has the federal department of mines. Before 1949 this government service was only a branch of another ministry. In fact the Department of Mines and Technical Surveys was created on January 18, 1950, by an act of parliament which received royal assent on December 19, 1949. During the past 50 years the federal department of mines has done a great job for the country in the fields of geology, mineralogy, special research and other related experiments. The excellent mapping done by the department and the very careful work carried on in its laboratories have led to the discovery of bigger and more numerous ore deposits, and have also permitted a more economical processing of them.

Airborne magnetometer surveys were started in 1947 by the geological survey branch, and during the following four or five years this kind of work was carried on over many thousands of miles in various parts of Canada. The information derived from this kind of work has been valuable and most gratifying. Those surveys have been responsible for the finding of the iron ore deposits of Marmora, Ontario, the copper-zinc deposits of Bathurst and Little River in New Brunswick, and many other ore deposits in different parts of the country.

However, since 1952 it seems that the department has discontinued this kind of work, at least in most of the provinces. I would urge the Minister of Mines and Technical Surveys (Mr. Prudham) to let the geological survey branch carry on with its airborne magnetometer surveys across the whole of Canada, especially in those provinces where there is no such work in progress. This has provided useful and valuable information in the southern part of the shield area. I am convinced that it would be of great help to those who are engaged in prospecting in other parts further north.

When I say that I have in mind more particularly that part of our district between Beattyville and Chibougamau, where the Canadian National is now building a railway line. During the next season this section will be a hive of activity as far as prospecting

is concerned, and this activity will continue for many years to come. Mines will be developed in that area, and the more tools we put in the hands of the prospectors and the companies the quicker the job will be done.

It is quite easy to understand that this intensive mining activity in the areas of known economic importance and the spreading out of those activities into new areas has caused an extraordinary demand for more and more geodetic, topographic, hydrographic and geologic surveys. It is not surprising to learn that the Department of Mines and Technical Surveys has found it most difficult to keep up with the increased needs. However, it is gratifying to learn that by using modern tools and equipment, by developing new techniques and a more rapid system of surveying, the personnel of the department have been able to speed up their work and they are now pretty well meeting the increasing demand.

But there will be much more to be done. The demands for increased services by all branches of the department will be pressing. I urge the government to make more money available to the Minister of Mines and Technical Surveys so his department will be able to keep up with its work and be permitted to continue to operate with the high degree of efficiency which it has shown in the past.

Agriculture has gradually become a basic industry in northwestern Quebec, more particularly within the clay belt which is eminently suited to the production of fodder and consequently stock-farming, either for the production of meat or dairy products. Small-scale farming and gardening could be made profitable around the larger centres such as Rouyn-Noranda, Malartic, Val d'Or-Bourlamaque and Amos. In this respect I would hope that the division of horticulture at Kapuskasing would conduct experimental work in the growing and preparation for market of vegetables in those centres. There are a great number of small farms which are suitable for that kind of production, and their owners are in urgent need of guidance and encouragement. I will go as far as to say that an experimental station for that purpose would be a profitable investment.

At this point I want to take advantage of this opportunity to offer my sincere thanks to the officers and technicians of the Department of Agriculture for all they have done to help the farmers of our district. More particularly I wish to say that the farmers of northwestern Quebec are grateful to the director, the technicians and other employees of the federal experimental farm at Kapuskasing and of the experimental substation at Macamic in the constituency of my good friend the hon. member for Chapleau (Mr. Gourd), for the guidance, good advice and encouragement which has been supplied in the performance of their duties. We are in great need of this kind of service, and we hope it will be accelerated.

As it is, the development of agriculture in northwestern Quebec depends mostly upon the mining industry. This industry injects a pecuniary serum which enables a settler to live through the difficult years when he has to work on virgin soil which will bear fruit only after years of unceasing labour. The settler finds in the mining centres a ready market for his lumber and other farm products, and the mining industry provides work for him during the off season. So gradually the settlement lot becomes a productive farm and the settler a real farmer who is ready to take his rightful place in the community.

The majority of our farmers are at a stage where they need additional help, guidance and encouragement. They need help in connection with their livestock and the classification, storage and distribution of their product. Studies of these various problems are now being made by local organizations, but it is only with the help of duly qualified technicians, the guidance of good management, the encouragement of the business people of our district and financial aid from both the federal and provincial governments that a program of such breadth can be carried out.

There are over 65,000 people in the cities and towns of northwestern Quebec. Carloads of such commodities as meat, vegetables, dairy products and poultry come from outside the district to be distributed by the many merchants in the different localities. In such a situation it would be thought that local products would find an outlet. However, we are becoming aware of the fact that the grocer cannot buy products which are not classified. Moreover, if he is not assured of a steady flow of products from the local farmers he cannot buy from them.

Our farmers need a distribution centre in which they could find facilities such as a slaughterhouse, cold storage and good management for the distribution of their products. These facilities are presently lacking, therefore the flow of products is not steady. This is due partly to a lack of guidance in connection with distribution.

Further progress could be made by a livestock improvement program operated jointly with a program for the development of grasses. This would enable the farmers of the district to continue the production of livestock on a more sustained basis.

Finally, so that the farming industry of northwestern Quebec may fulfil its expectations, let us hope that a large-scale program of drainage will be undertaken with the co-operation of both federal and provincial governments throughout the whole of this part of the pre-Cambrian clay belt which is level with the farm lands. In addition to improving arable land it would help reforestation and the development of large marshland areas which are now absolutely useless. The farmers of northwestern Quebec keep toiling to clear and improve their farms. The heavy work which they took on at the beginning is now producing results.

However, if we want the progress of the farmers of our district to be on a par with that of other industries, we shall have to give them a hand; we shall have to help those who have worked so hard to clear the land and, finally, we shall have to try to make it easier for the farmers to distribute their products. We know how steadfast our farmers are, and if we help them ever so little we may be sure they will do their full share in the development and progress of northwestern Quebec.

Earlier in my remarks I said I would acquaint the house with some of the projects we of northwestern Quebec have in mind in order to accelerate the more rational development and exploitation of our natural resources. Before I do so I wish to quote, with your permission, from an article which appeared in one of our leading local newspapers, the *Star*, in the edition of January 6, 1956. The article is entitled "To get something done, or not", and it reads as follows:

> When you see a committee set up within, or auxiliary to, a larger body, it is safe to guess that one of two purposes has prompted its formation—(1) to get something done, and (2) not to get something done but to go through the motions of getting something done.
>
> Frankly, we have had to revise our opinion of the Abitibi East industrial commission which the federation of chambers of commerce sponsored in 1954. We were suspicious then that it was just another committee which would go through the motions.
>
> We are happy to say here and now that this opinion was wrong. It has been proved wrong.

It has been proved wrong because this industrial commission, of which we expect so much in northwestern Quebec, has been organized by and is actually under the direction of a group of people who firmly believe that if you want something done you should at least know what you want to have done and that, if you want to be helped, you should start by trying to help yourself.

The industrial commission was organized in 1954, as I have said, and it started its work with a three-point program. First, the commission promised its full co-operation and assistance to the farm organizations of the district in their efforts to construct a slaughterhouse and establish a distribution centre, both very essential, as I have said, to the future well-being of our farmers. Second, the commission undertook to sponsor the establishment of a paper mill in the very heart of the district, which for many years has seen its pulpwood being cut and shipped away to be transformed into finished paper in other parts of the province rather than on the spot. Third, the commission has undertaken to sponsor the construction of a zinc refinery. After only the very short period of two years we have good reason to believe that those three projects are well on their way to becoming realities.

The establishment of the paper mill, I am told, will be announced very shortly. The construction of that mill and the development of a water power site to operate that mill will mean an outlay of at least $50 million. This new industry in the district will create an important source of employment and, moreover, it will mean that one of the most important natural resources of the area will be processed right on the spot, thus giving more profit, as it should, to the people of the district. The establishment of this paper mill will necessitate the construction of a 50-mile railway spur beginning at a point on the new railway line presently being built from Beattyville to Chibougamau.

The promotion work on the proposed zinc refinery is well under way, and we are informed that the refinery itself might be in operation before the end of the year. As everyone knows, a large amount of zinc concentrates is produced every year in our district. Not only part of this production but the whole of it is being shipped to different points in the United States to be refined. Again in this case, if we can succeed in having those concentrates processed right where they are produced we shall have gone a step forward in the more rational exploitation of one of our natural resources.

As to the construction of a slaughterhouse and the establishment of a distribution centre, the project is well under way, and as soon as the financial details are arranged the construction will be started and accelerated as much as possible.

Those projects I have mentioned are not the only ones which are under study by the industrial commission. There are many others, indicative of the work which is now being done by this group of people who are so confident of the future of our country that they do not hesitate to give their time and knowledge for the welfare and the well-being of their fellow citizens.

If I mention the above projects, it is because I think the information might be of some interest to the house, in view of the fact that more and more we hear about the desirability of processing a larger amount of our own natural resources right here in Canada. If we are anxious to do so, and I am sure we all are, what I have just said shows one way to do it.

The provinces have the responsibility and the right to control and develop their own natural resources and, as was mentioned yesterday and so well explained by the Prime Minister, they are very jealous of those prerogatives. That is their privilege and their right. But if some local organization, within its own province, takes the initiative, there are good reasons to believe that the government of that province will pay more attention to these representations than to any others that may be made from here, no matter how constructive or how sincere they may be.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, in rising to take part in this debate on the address in reply to the speech from the throne I should like first of all to take the opportunity of congratulating the mover and the seconder for the able manner in which they fulfilled those duties.

Before I make any comments on the speech itself, I should like also to take this opportunity of saying that I recently had the opportunity of attending the last session of the general assembly of the United Nations as a parliamentary observer, and I should like to express my personal thanks for the courtesy extended to me there by the head of the Canadian delegation, the Minister of National Health and Welfare (Mr. Martin). I should like to say at the same time that all the members and staff of the Canadian delegation seemed to be very efficient and very well up on their duties in general.

My first observation on the speech from the throne itself is this. Like others who have already spoken and no doubt others who will be speaking in the future, I cannot help regret certain omissions from the speech itself. I regret particularly that there was no reference in the speech from the throne to the problem of veterans affairs. In this regard I regret particularly that no provision was made to set up a standing committee to deal with veterans' problems as they arise. For instance, last year some new veterans' legislation was passed, quite a bit of it as a matter of fact, but already certain weaknesses in this legislation have made themselves apparent. While no veterans' legislation has been proposed so far at least this session, if a standing committee were set up it would have the opportunity of discussing the weaknesses that have appeared in recent legislation.

I am also sorry to notice that there is no mention of any legislation respecting war veterans of world war I who served only in the United Kingdom. It had been hoped that possibly legislation would be proposed to include these few remaining persons under the War Veterans Allowance Act. However, this is apparently not being done. It seems rather a shame that these persons who served in the first world war should not be included, as they certainly travelled through an active field of warfare to get to England. I think the north Atlantic could most certainly be described as an active field of warfare from 1914 to 1918.

Again in this regard I am sorry to notice that no legislation is proposed to change the War Veterans Allowance Act to increase the ceilings on permissible income, as proposed in the Legion brief of November 10, 1955. The Legion is very thankful for the increases made in the War Veterans Allowance Act legislation last year, but feels that the amounts are not sufficient and that the ceilings on permissible income should have been raised to $1,200 for a single man and $2,000 for a married man. I also think it is a pity that other recommendations made in the Legion brief apparently were not given favourable consideration by the government.

The second matter I should like to mention at this time has reference to the Income Tax Act. I am certainly very sorry to observe that no legislation is proposed to amend the Income Tax Act. At the last session of this parliament the hon. member for Middlesex East (Mr. White) presented certain criticisms of the Income Tax Act, and I may say that the citizens of many parts of this country also have many criticisms to offer of that act. I should like to point out in this regard that my colleague, the hon. member for Middlesex East, has a resolution on the order paper and no doubt when it comes before the house these matters will be gone into in considerable detail.

However, there are some observations I should like to make at this time regarding the Income Tax Act and proposed amendments thereto. I think possibly the Department of National Revenue might very well be renamed the department of archaeology, not only because some members of that department seem to delight in delving into the past but because they seem to extend their digging and delving so far back into the past that they could properly be called archaeologists.

No longer speaking in a spirit of levity, I believe some time limit should be placed on the authority of the Department of National Revenue to make reassessments. Theoretically they can go back as far as 1917, and it seems to me that some time limit, say two or three years, should be sufficient unless, of course, the department can prove fraud. In that case I think the time limit should be extended farther back, but if so the onus should certainly be placed on the department to prove fraud and the onus should not be, as it is at the moment, on the person charged to prove that he is not guilty.

I should like to add one further qualification there. It is possible that from an administrative point of view this suggestion might not work out too well with large corporations, but it would certainly work out very well with farmers, small businessmen and individuals. It is a very difficult thing for a small businessman, a farmer or other individual to keep his records forever, and apparently you cannot get a clearance from the Department of National Revenue to allow you to destroy old records. As I have already mentioned, how far back is a person expected to keep his records? This situation places a person in a very difficult position when he is suddenly investigated by the Department of National Revenue and asked where he got the money to buy a radio five or six years previously. This particularly applies to farmers, and it makes everyone exceedingly apprehensive.

I see it is almost six o'clock, Mr. Speaker, and at this time I should like to move the adjournment of the debate.

On motion of Mr. Nesbitt the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, according to the rules I find that a minister of the crown has to designate the days for this debate. If I were to state now that it was the intention of the government to use all the days next week for this debate I would hope that, while that would be taken as notice to that effect, if it became necessary or desirable to alter the procedure my present declaration would not preclude me from changing the order if I notified the house on the preceding evening.

Mr. Drew: Mr. Speaker, just by way of information, what change has the minister in mind that might occur?

Mr. Harris: None whatever, Mr. Speaker.

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

HOUSE OF COMMONS

Monday, January 16, 1956

The house met at eleven o'clock.

INDUSTRIAL STATUS OF WOMEN

MEASURE TO REQUIRE EQUAL PAY FOR EQUAL WORK

Mrs. Ellen L. Fairclough (Hamilton West) moved for leave to introduce Bill No. 6, to provide equal pay for equal work for women.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

REPORTED EXPORT OF MILITARY EQUIPMENT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the Minister of National Defence. Will the minister inform the house what military equipment, if any, was shipped over the week end in the *Star of Assuan,* and the destination of that equipment?

Hon. R. O. Campney (Minister of National Defence): I have no knowledge, Mr. Speaker, of any military equipment having been shipped over the week end. I understood from my colleague, the Secretary of State for External Affairs, that the matter was being looked into by his department, which I presume would deal with any export permit required. I have no knowledge of the matter.

TRADE

INQUIRY AS TO STATUS OF NEGOTIATIONS WITH RUSSIA

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Will the Minister of Trade and Commerce or the Secretary of State for External Affairs inform the house of the position of trade negotiations with Russia which were said to have been initiated by the Secretary of State for External Affairs when he was in Russia not long ago?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, subsequent to the return of my colleague, a draft trade agreement was forwarded to the Russians. That is the last we have heard of the negotiations. Perhaps we should say that they are pending.

Mr. Fleming: How long ago was that? How long has the government been waiting for a reply?

Mr. Howe (Port Arthur): About a month.

ATOMIC ENERGY

INQUIRY AS TO APPOINTMENT OF REPRESENTATIVE TO UNITED NATIONS SCIENTIFIC COMMITTEE

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs? Has Canada appointed a representative to the United Nations scientific committee to study the effects of atomic radiation? If so, who is the representative?

Hon. L. B. Pearson (Secretary of State for External Affairs): Yes, Mr. Speaker, we have appointed a representative to that conference. He is Dr. Cipriani of Atomic Energy of Canada Limited.

GRAIN

WHEAT—PROVISION OF NECESSARY BOX CARS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will he tell the house what is being done to channel the necessary box cars for wheat transportation purposes in the prairie provinces, and what are the possibilities of increasing wheat quotas in the next week or ten days?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the movement of box cars in the west has improved very considerably in the last two weeks, largely as a result of improved weather conditions. I had a letter from the president of the Canadian National Railways this morning in response to continuing correspondence I have had with him. He tells me that he has ordered that 100 new box cars be diverted to western Canada every day in addition to those going out loaded. He also points out that deliveries of new box cars will commence immediately, and all new box cars are for immediate dispatch to western Canada.

I have not the same clear indication from the Canadian Pacific Railway, but I have a general indication given me by the president of the Canadian Pacific Railway last Saturday to the effect that they are increasing their supply of box cars in the west, and I may say that unloads at both Vancouver and Fort William indicate that there is a very considerable improvement.

As far as increased quotas are concerned, they are being announced every day. The last report I saw indicated only about one-third of the points are still on initial quota. Other points have one, two or three bushel quotas, and the changes are being made as opportunity presents itself.

Mr. Diefenbaker: May I ask a supplementary question? I thank the minister for the statement, because it will bring a degree of hope to the western farmers. Approximately what is the extent of the shortage of the necessary cars to transport wheat on the prairies at the present time?

Mr. Howe (Port Arthur): Mr. Speaker, I have not the figure here. When I spoke in Edmonton I said that there was a shortage of 10,000 box cars on the prairies below the customary number in action on that date. I know that there are more box cars today, but I cannot say how many more.

YUKON QUARTZ MINING

INQUIRY AS TO REPEAL OF ACT DURING PRESENT SESSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, to satisfy the curiosity of some members on both sides of the house, I wish to ask the Minister of Northern Affairs and National Resources a question. Does the minister intend to introduce a bill to repeal the Yukon Quartz Mining Act this session?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, if and when a decision is reached it will of course appear on the order paper.

FISHERIES

JUAN DE FUCA STRAIT—INQUIRY AS TO CLOSURE OF SOCKEYE SALMON FISHING ON CANADIAN SIDE

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the parliamentary assistant to the Minister of Fisheries? Does the government propose to enforce closure on the sockeye salmon fishing on the Canadian side of the strait of Juan de Fuca this year? If so, what steps are being taken to ensure that Canadian fishermen are assured of their fair share of the catch?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, since I was delayed in getting back to Ottawa by the storms in my constituency, I have not had time yet to look into this question, but I assure the hon. member that I shall look into it and bring down the answer as soon as possible.

PUBLIC BUILDINGS

ALLEGED CESSATION OF WORK ON WINNIPEG POST OFFICE AND DEER LODGE HOSPITAL

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Prime Minister. Has he received a copy of a resolution passed by the Winnipeg city council protesting the cessation of work on the Winnipeg post office, in addition to the Deer Lodge hospital?

The Minister of Public Works (Mr. Winters) prefers the term slow-down to the term cessation, but in any event can the Prime Minister (Mr. St. Laurent) give assurance as to when the cessation or slow-down may be terminated and full construction resumed?

Right Hon. L. S. St. Laurent (Prime Minister): I have been informed there has been no cessation and that the work is proceeding just as expeditiously as possible.

IMMIGRATION

PROPOSED SIMPLIFICATION OF FORMALITIES—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. J. Wilfrid Dufresne (Quebec West): Is the Minister of Citizenship and Immigration (Mr. Pickersgill) in a position this morning to answer my question regarding the statement made last week in London by his deputy minister, Mr. Laval Fortier?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have now had a chance to read the item in the newspaper to which the hon. gentleman referred on Friday last and also to read a somewhat expanded report in another newspaper. All it seems to amount to is that an effort is being made to cut down on the amount of paper work that prospective immigrants have to do. I think it is a most laudable objective for any government department anywhere. We are always trying to cut down paper work in my department.

I think perhaps I should say just one other word about the implication in the hon. gentleman's question to the effect that in some

way this might be something applied to the United Kingdom only. There is no such intention. Of course it is known to all hon. members that we have one regime for immigrants from the United Kingdom, France and the United States, and another regime for other countries.

OLD AGE PENSIONS

REQUEST FOR INCREASE IN AMOUNT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare (Mr. Martin). As it is now seven years since any change was made in the amount of the old age pension, does the government intend at this session of parliament to increase the amount of the pension in accordance with the increase in our gross national product?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend did not give me notice of his intention to ask this question. I can say at once that the government is giving consideration to a number of matters in the health and welfare field, one of which, as he knows, will involve a discussion with the provinces on the 23rd of this month. We have to bear in mind the over-all situation when we arrive at decisions. But no one in this house should know better than does my hon. friend who made a recommendation that there should be a continuous relation between contributions made under a partially contributory system and benefits to be paid. That was likewise the recommendation of a committee of which my hon. friend was a member, and the government bears in mind recommendations made by parliamentary committees.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 13, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, on Friday last when the debate was adjourned at six o'clock I had commenced to make certain remarks referring to the Department of National Revenue. At that time I expressed some regret that the speech from the throne made no reference to any intended changes in the Income Tax Act. At the same time I made a suggestion, which I hope the hon. minister might take into consideration. I suggested that a time limit be placed on the activities of the Department of National Revenue as to the time they may go back and make reassessments on private individuals. I believe I suggested a limit of approximately two or three years. As I pointed out at that time, it is very difficult for people to keep records indefinitely and it is particularly arduous on persons who are not familiar with accounting, such as farmers and small businessmen not to mention individuals.

In this regard we all know that there are certain cases of fraud and evasion with respect to the payment of income taxes, but nevertheless I think a great majority of the reassessments that are made concern perfectly innocent mistakes. The way things are at the present time, a person virtually must have a public accountant of some kind to keep his records. As a result most farmers and small businessmen have their income tax returns made up by persons who are not fully qualified. Very often this is done by the township clerk, a conveyancer, a real estate man or someone of that nature. As I say, these people are not always fully qualified and they make plenty of mistakes. In fact, I have heard that qualified people such as chartered accountants have made mistakes in drawing up income tax returns. If they do it I am quite sure that people less qualified are likely to do it as well.

As I pointed out, many reassessments are made on the basis of innocent mistakes. It is quite hard on a small farmer to find suddenly after a few years that he owes, on the return he made some time ago, not only a certain amount of back taxes which he did not pay but interest and sometimes a penalty. I suggest that, where there is no question of fraud or evasion, the matter of interest and penalties be dropped. Of course, this would not apply where it was a matter of fraud or evasion; but where the farmer has had his tax return made up by the township clerk it seems to me most unfair that he should be liable for considerable interest or even a penalty because of a mistake made by someone else.

There is another matter I should like to mention in connection with the Department of National Revenue, and that is the exceedingly arbitrary methods followed on occasion by the department. This seems to be increasingly so. We all realize that it would be quite impossible for the department to carry on its duties unless the onus of proof were placed on the person under suspicion to show that he was innocent. If things were

otherwise it would be most difficult for the department to carry on, but I think at times the department goes a little too far and I should like to cite a case which I investigated recently.

About the middle of last July a young man about 20 years of age was sleeping the sleep of the just in the house of his parents who were away on holiday. At about eight o'clock in the morning he heard a knock at the door and when he answered it he found two members of the Royal Canadian Mounted Police as well as several officials of the Department of National Revenue. They had a search warrant and when they entered the house they kept the young man on one side of the room and questioned him repeatedly as to where the family kept their safe. He told them he did not know that they had a safe in the house, in fact he was quite certain they had not.

At the same time other officials of the department visited the place of business of these people and seized their books. So far everything was perfectly in order but the books of this particular business were quite extensive and when they were taken away the people in charge requested a receipt which was refused. About two months later a form of receipt came in but it was incorrect. In addition to all this, the people had to supply their own truck in order to have the books taken up to the London office of the income tax branch. It is like providing your own car for your own execution. In due course, the business required some of the correspondence taken by the department, for certain business purposes. When it asked to have this correspondence returned, it found that the department had lost it, and this caused considerable difficulty and a certain amount of expense. These books were taken last July and they have not been taken back yet. It is a great inconvenience to this business to have its books lost.

If the Department of National Revenue has to carry out investigations like this, there is no reason why it cannot photostat the records and send them back so that the business can carry on in a normal way. As I have pointed out, the Department of National Revenue has all the advantage on its side. The burden of proof is on the accused, so to speak, and not on the department. Unless some of the extreme measures such as this are checked, they are liable to continue. This is the thin edge of the wedge. If these arbitrary methods are allowed to continue unchecked, there is no telling where they might stop.

[Mr. Nesbitt.]

I hope the minister will deny this and say it is not so, but it is my understanding that very often the department will get books from some professional man such as a doctor or dentist and keep them for some time, not for the purpose of checking on his records, but for drawing comparisons so that it can check on some other member of the same profession.

There is another matter about which there is considerable apprehension and suspicion in the minds of large segments of the public —and I hope again the minister will say this is not the case. Very often investigations of individuals are prompted by complaints that have been motivated by a purely personal dislike. I believe the hon. member for Middlesex East (Mr. White) last session referred to the income tax division's activities as the "income tax terror". In or about the year 1791, during the regime of the French revolution, known as the "red terror", people would inscribe the name of somebody they did not like on a slip of paper and put it into a box in the shape of a lion's mouth, and the people whose names were on those slips of paper were summarily arrested and guillotined the next day. I am not suggesting that the Minister of National Revenue would do anything like that, but I do say there is a general suspicion that many of these investigations are motivated by complaints arising purely out of jealousy or some personal dislike.

As I say, I hope this is not the case. In any event, many of these methods I have outlined which are employed by the Department of National Revenue—I could speak of them for a long time but I do not wish to take the time of the house in doing so—do not have any place in a democracy. I rather hope the minister will do something to check the zeal of some of the junior members of his department.

Having dealt with some of the omissions from the speech from the throne, I should like to deal for the next few moments with some matters which are in it. Having carefully examined the speech given by His Excellency, I am reminded of an old rhyme I have heard from my parents. This rhyme has to do with weddings of another day and goes something like this: "Something old, something new, something borrowed and something blue." If we were to paraphrase that rhyme, we might say that the speech had something old, nothing new, something borrowed and benefits few.

Apparently the government has borrowed a little from some of the suggestions of the other parties. The suggestion of the hon. member for Hamilton West (Mrs. Fairclough),

which she has been putting forward for a number of years, has apparently been borrowed. It would also seem from the wording of the speech that the suggestion of the hon. member for Assiniboia (Mr. Argue) has made in other years regarding small loans is about to be incorporated in government policy.

However, I did not see anything in the speech from the throne making reference to any suggestions from the Social Credit party, which, of course, is rather a pity; but if you look a little more carefully you will see that during 1955 the government has been experimenting with at least one aspect of Social Credit policy. It has always been my understanding that one of the main aspects of Social Credit theory is the circulation of money and the creation of prosperity thereby. I do not think it can be said that the government was experimenting particularly with the circulation of money but I should like to suggest that possibly they have been experimenting with the circulation of at least one product, namely, cheese.

By this I mean that, so far as dollars are concerned, as fast as cheese was exported from the country it was brought back into the country in the form of imports. In this regard I should like to refer to an article in the Picton *Gazette* of Wednesday, January 11, 1956. The article appears on page 1 and reads as follows:

> Statistics presented to the 23rd annual meeting of the Ontario cheese producers' association in Toronto showed that 6,500,000 pounds of cheese, valued at $3,500,000, were imported during 1955. In the same period 10 million pounds of Canadian cheddar, worth just over $3 million, were exported. Included in the imports, were 5,500,000 pounds of New Zealand cheddar. In his annual report, association president W. O. Coon said a request would be made to the federal government—

And so on. Of course, to be fair, some of these cheese imports consisted of fancy cheeses like Dutch cheese, Danish blue and others. They are included, but as far as dollar value is concerned there was more dollars' worth of cheese imported than exported. The cheese situation has been the source of very considerable annoyance to dairy farmers everywhere, particularly in Ontario.

For a moment let us see what the situation is at the present time with regard to cheese. The latest available figures respecting cheddar cheese that I have been able to obtain are as follows: Stocks on hand on the first of January, 1955, were approximately 42,424,000 pounds. Production in Canada for 1955 amounted to 78,638,000 pounds. Production in 1955 was down a bit from 1954 when the amount was 84½ million pounds, but the fall in production was no doubt due to the very hot, dry summer in Ontario last year. Stocks on hand at January 1, 1955, plus cheese production for the year make a total of 121,062,000 pounds.

In order to see what stocks were on hand at January 1, 1956, the figure for 1955 consumption should be deducted and this amount, according to the latest figures I have been able to obtain, is estimated at 73 million pounds. There must also be deducted the 10 million pounds of cheddar cheese which were exported, leaving a net amount of 38,062,000 pounds. However, to this amount must be added the 5,500,000 pounds of imported New Zealand cheddar which would make the amount of the stocks on hand at January 1, 1956, approximately 43,562,000 pounds, a slightly higher amount than was on hand at the same time last year.

As hon. members will recall, it was just about this time last year that there was a lot of discussion in the house regarding imports of New Zealand cheese. At that time almost 2½ million pounds of New Zealand cheese were being imported. As I recall the situation, at that time the Minister of Trade and Commerce (Mr. Howe) suggested that there would be no further imports of New Zealand cheese for six or nine months. He certainly hit the nail on the head because, as all hon. members know, about nine months later another 3 million pounds of New Zealand cheese were imported into Canada.

Now, as was mentioned at this time last year, this whole situation is ridiculous. It is like bringing coals to Newcastle and is a slap in the face to the dairy industry of Canada. This New Zealand cheese is saleable on the dock at Montreal at 26 cents a pound whereas the Canadian price is somewhere in the neighbourhood of 29 to 31 cents a pound. I say the situation is almost identical with that which existed at this time a year ago. At that time several hon. members in this house set out very completely and concisely some of the hardships that the importation of New Zealand cheese would bring for the cheese producers of Canada, and particularly the Ontario cheese producers who, as hon. members know, have an association of their own for the sale of cheese abroad.

I am not going to take up the time of the house to deal with all the arguments on this subject because they are set out in detail by the hon. member for Lanark (Mr. Blair) in volume I of the 1955 session of the debates of the House of Commons, page 305. The arguments which the hon. member set out at that time certainly apply today. As has been pointed out, the cheese industry is only one aspect of the dairy industry, but what affects the cheese industry certainly affects

other things such as butter. Apparently butter is having its own problems, but that is a matter which will be dealt with by other hon. members in the course of this debate.

On this whole question of dairy products, Mr. Speaker, I submit that the government is not giving the leadership it should. It is standing by with folded arms and allowing things to slip. Farm groups have become exceedingly aggravated over this cheese question. What can the government do? I submit that the government can do one of two things. They could either raise the tariff on cheese or adopt another procedure open to them with which I shall deal in just a moment.

Now, farm groups have become very upset over this situation, and the result is that I received a resolution from the Oxford county federation of agriculture which I should like to read. The resolution is as follows:

> Be it resolved that the Ontario and Canadian Federations of Agriculture make emphatic representation to the federal government asking the imposition of a tariff duty upon all imports of cheese, milk powder and other dairy products equivalent to the protection granted other industries and sufficient to allow producers of dairy products an equitable share of the national income.

I can see why the federation of agriculture would send in a resolution like that. The present one cent tariff on cheese accomplishes nothing. It certainly does not protect the dairy industry and it certainly does not provide much revenue, so I really cannot see what the purpose of the one cent duty on cheese is. I know quite well, at least we have always heard, that the present government is not interested in raising tariffs. In fact, we are told it is rather more interested in lowering them, so the government may not wish to raise the tariff on cheese. Whether or not they should may be another matter, but I do not think they will want to do it.

I would suggest there is another procedure open to the government to check further importation of New Zealand cheese into Canada. This procedure was very concisely set out last session by the hon. member for Hastings-Frontenac (Mr. White) on page 334 of the debates of the House of Commons for the 1955 session, volume I. The procedure outlined by the hon. member on that occasion has to do with the use of the Export and Import Permits Act. On one or two occasions last year I believe the Minister of Trade and Commerce (Mr. Howe) intimated that this act had no application to cheese, but in view of the remarks of the hon. member for Hastings-Frontenac I believe that possibly the minister might be mistaken. Perhaps the government has the necessary machinery set up to bring the importation of cheese under the Export and Import Permits Act. I feel that before this debate is finished some statement should be forthcoming either from the Minister of Trade and Commerce or from the Minister of Agriculture (Mr. Gardiner).

The dairy farmers of Ontario and the cheese producers association of Ontario have a right to know what, if anything, the government is going to do. It must be remembered that Ontario produces three-quarters of the cheddar cheese produced in Canada. If something is not done at once the farmers who produce cheese and other dairy products are going to suffer. As I said before, I hope that before this debate is completed we will have a statement of policy from either the Minister of Agriculture or the Minister of Trade and Commerce.

Right Hon. C. D. Howe (Minister of Trade and Commerce): First of all, Mr. Speaker, I should like to congratulate the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. I was particularly impressed with both speeches; both were excellent. When the mover of the address turned her attention to northern Ontario, her burst of eloquence about that great territory thrilled me. I am sure all of the people of northern Ontario appreciated her remarks about her constituency.

This debate has taken an extraordinary turn, one which I find it hard to believe. The speech from the throne was brought down at a time when the Canadian economy is travelling in the highest possible gear. Everything and every resource is stretched to the limit. My department is concerned with finding enough steel to keep the economy rolling in the face of a world shortage of steel. The world is short of nickel, of copper, of aluminium, and a shortage is developing very rapidly in newsprint. In order to maintain progress and maintain employment, these problems require everyday attention.

Now, the debate has turned on surpluses, and what are those surpluses? They are wheat and butter, although cheese was mentioned today. I can relieve the minds of hon. members about cheese. I have been informed several times by my office that there is not sufficient matured cheese available for export to enable us to fill our quota in the British market, which is a valuable market for fully matured cheddar cheese, which product commands a substantial premium in that market. Therefore, let us not talk about a surplus of cheese. However, it is interesting to see that the hon. member who mentioned cheese is devising ways of accentuating

a shortage. In other words, if we could have a greater shortage of cheese, everything would be wonderful.

This has been the attitude of the opposition to the supply problem. Shortages are wonderful, to be solved by simply denying their existence. We sat in this house all during last July when speaker after speaker would get up and say that there were no shortages. I would indicate that even then there were shortages of steel, of nickel, of aluminium and of other materials. But this was denied by the opposition. What was the purpose of keeping us here during the month of July? It was to prevent the government from getting authority on a reasonably long-term basis to deal with the materials in short supply and to allocate those materials to the best advantage of the Canadian economy.

Let us return to the surpluses we have. There could have been no debate, I am afraid, if the weather had taken a different turn. If we had had a very dry spring and a very dry early summer, instead of a very wet spring and a very wet early summer, we would have had no surplus of either wheat or butter. We would have been about on balance in wheat, and butter would have been in short supply. The Conservatives, the C.C.F. and the Social Crediters would have said this is wonderful; we have no surpluses, and without surpluses I do not know what the discussion on the speech from the throne could have been. However, we have a surplus of wheat, and already it has been attacked. We must do away with this surplus. The suggestion was made by the hon. member for Prince Albert (Mr. Diefenbaker) that we immediately adopt the soil bank plan of the United States government. I suppose he thought that that would be a new plan. We in Canada invented the soil bank plan back in 1941. At that time we had an accumulation of wheat which resulted from the dislocations of war, the sinking of ships in the Atlantic and our inability to supply wheat, even though countries overseas were very anxious to obtain it. At that time we instituted the soil bank plan. We paid our producers to take their acreage out of wheat and put it into coarse grains or summerfallow. As a result of that policy, we reduced acreage in wheat from 27¾ million acres in 1940 to 16 million acres in 1943, a reduction of 11¾ million acres. During the year 1955 only about 20 million acres are planted to wheat, which is a reduction of 7¾ million acres planted to wheat since 1940.

Well, we should plant at least 20 million acres of wheat. I believe that our economy requires production to that extent. I will admit at once that if we get five more wet years in succession, 20 million acres of wheat will produce an accumulating surplus in this country. But I think I have lived in the western country, and I think many other hon. members have lived in western Canada, long enough to know that never before in the history of western Canada have we had five very wet years in succession. Therefore, I reject the soil bank plan or any other plan destined eventually to place wheat in the deficit column. If we cannot keep wheat supplies in balance, let us have a surplus of wheat, but let us never adopt a policy that can produce less wheat than our markets will take.

It has been said that the reason for the surplus is that exports have not been up to standard; that the government has been lax in not exporting sufficient wheat to take care of the western situation. Let us examine the levels of exports. We will go back to the good years when everyone was quite happy about wheat, when the farmers were happy, and when we had a situation that seemed to call for no criticism. We will go back to 1947-48. In that year we exported 195 million bushels of wheat; in 1948-49 we exported 232 million bushels of wheat; in 1949-50 we exported 225 million bushels of wheat; in 1950-51 we exported 241 million bushels of wheat. In other words, the average export for those four very satisfactory years was 223 million bushels per year.

Now, let us look at the last four crop years. In 1951-52 we exported 355 million bushels; in 1952-53 we exported 385 million bushels; in 1953-54 we exported 255 million bushels; and in 1954-55 we exported 252 million bushels, an average of 312 million bushels of wheat exported from Canada per year. It is rather interesting that in not one of the good years were the exports as large as exports during the least satisfactory export year in the past four years. Last year we exported 252 million bushels of wheat. We have heard the hon. member for Assiniboia (Mr. Argue) talk that kind of nonsense about a drop in exports and suggest methods that we should adopt to correct the situation. He is quite willing to advise us on that point. But never in any of the years from 1947 to 1950 did we export as much as we exported last year.

I could go into the deliveries, which mean more to the farmers than exports. They are of more immediate importance to him. In the war years, when we had a sellers' market, when we could export anything we could produce, beginning with 1940 and going through 1944, the average deliveries by farmers to country elevators amounted to 326 million bushels a year. In the next years, 1945

through 1949, the five-year average was 286 million bushels marketed. In the last five years—1950 through 1954—a yearly average of 415 million bushels of wheat were marketed by farmers. Perhaps I should give the house the figures for all grains, including wheat, oats, barley and other grains. In the five-year period, 1940 through 1944, the total marketing of all grains averaged 492 million bushels. The five-year average from 1945 through 1949 was 456 million bushels. In the five years from 1950 through 1954, the average was 656 million bushels.

We have had a great deal of advice as to how this wheat should be sold. We are told how our methods are antiquated; that the world has been moving ahead of us and that we should adopt methods of other countries in disposing of our wheat. We have had a great number of references to bartering and to selling for local currencies. What is the purpose of bartering? Barter was used centuries ago before money was invented. But today the only purpose of barter is to give a customer through barter a deal which you would not give him for dollars. The same is true of local currency. The reference is not to local currencies that we could bring back to Canada. You sell for local currencies and you leave the local currencies in the purchasing country. That is the method that has been used where wheat is sold for local currency. In other words, a form of give-away, and the give-away usually represents up to 70 per cent or 80 per cent of the value of the wheat. These are also direct give-aways. Hon. gentlemen know we give away wheat when there is an urgent need for wheat. We have given wheat to several countries when, as a result of disaster, or crop failure, that sort of gift was a desirable procedure.

However, I wish I could persuade hon. gentlemen—it seems obvious to me—that we must treat all our customers alike. If we give wheat to one customer, barter wheat with another customer to his advantage, or accept local currencies from a third customer, then to expect to get cash from a fourth customer is of course absolutely untenable. I can give a very good illustration of that point. Two years ago the United States started their five-point plan for disposing of wheat. In that year about 41 per cent of their wheat exports went under programs involving give-away. Last year one of the official reports of the department of agriculture stated that 66 per cent of their wheat exports went out under the five-point program. I have seen predictions that this year practically 100 per cent of their wheat exports will go out under the five-point program. There is a law of economics that I am sure most of us remember. It is called Gresham's law. That law goes back even longer than I have lived, by about two centuries. Gresham's law is that a bad currency will drive out a good currency.

That is exactly what has happened to the United States in marketing wheat. The bad currencies are those deals which sell wheat at less than its value in good currency. The result is that our competitor can no longer sell wheat in exchange for good currency. Here we have a perfect example of the working out of Gresham's law, so far as the wheat marketing operation is concerned.

I could go on at further length and talk about sales for local currency or through barter deals. I think the idea of sales for local currency should be pretty well ended by a statement made in Winnipeg by a high officer of the British high commissioner's office when he stated that if we accepted pounds sterling for wheat we would not sell one more bushel of wheat to the United Kingdom. We shall therefore not pursue that matter further.

I now come to the point at issue. We have surpluses of wheat in Canada. The delivery position was particularly aggravated this year owing to the fact that our sales in the early part of the marketing year were much below those of a year ago. What was the reason for that situation? The reason was that there was no confidence abroad in the pricing of wheat in North America. Everyone expected that, since the United States was depending on their five-point program to export wheat, Canada would be forced to do something similar, or at the very least would be forced to cut prices drastically.

The situation was further aggravated by the bearish propaganda that went out from Canada itself. Every time I would read a speech by an opposition member using extreme language about our surplus wheat, I would say to myself, "I wonder what that speech is going to cost the producer of western Canada". Every time we would get resolutions from the boards of trade in the various wheat areas, we would say to ourselves: "That postpones buying some more". But the fact of the matter is that up to the first of November there was no forward buying of Canadian wheat. When a boat was under the grain elevator spout, the buyer would buy wheat to put in that particular boat, but our advance sales were woefully deficient up to that date.

Then apparently everyone began to believe that Canada was going to maintain a price, because orders started to come in. I have never before in my experience seen buying as active and as steady as it has been since

November 1. True, our exports are behind exports of a similar date last year, and it will probably be about March before we can pass the record of exports of last year. The reason for that is that at this season we have to bring our grain out through the winter ports, a process which is much slower than when the St. Lawrence is open. However, we are selling wheat.

I told the farmers in western Canada, when I spoke to several gatherings there, that exports were down at that time but I predicted that exports would pick up later in the year. That is what is happening. I went to western Canada for one reason only, namely to see just what the situation was there and the extent to which it could be remedied. In Regina I spoke to the delegates of the Saskatchewan wheat pool. I said that I spoke. I might say those sessions last all day and everybody speaks. I was just one of many speakers. I attended the meeting of the Alberta wheat pool delegates, and I also attended the annual meeting of the farmers' union at Edmonton. Prior to that visit, and because of the lack of early marketing possibilities, I made up my mind that something should be done to assist the farmers—and particularly the small operators—to finance themselves until marketing could return to normal. I recommended to the government that the system of loans that was used in 1951 be made available again this year. Other plans were considered very carefully at that time. We considered as to whether loans could be made through country elevator agents. We found insurmountable obstacles. Loans made by chartered banks are protected by the Bank Act, which is a federal act. Loans made in any other way, except through the banks, would have little or no security. Grain on the farm comes under the heading of property and civil rights, which is a matter for the province. A government lien on grain on the farm would have to take second place to tax liens, and would be on a par with liens put on by implement dealers or suppliers of any other kind. That matter was explored thoroughly. The government decided the only practical way to handle the matter would be to arrange guaranteed loans from the chartered banks.

It has been said that the interest rate is too high at 5 per cent. I have been a borrower from banks all my life, and I have never yet succeeded in borrowing money from a bank at less than 5 per cent. I know of many periods in my life when, if the government had guaranteed my bank loan, it would have relieved me of a great deal of stress and strain. I therefore cannot be too greatly concerned about objections to guaranteed loans bearing an interest rate of 5 per cent.

Recently there has been a great drive for advances on farm-stored grain. The suggestion has been for three-quarters of the value of the grain to be advanced by the wheat board. Many hon. members may think that the inspiration for that suggestion came from the farms. I can assure you there has been nothing of the kind. It came from the cities. If I had time, I could quote chapter and verse to that effect. Who are its supporters? The supporters are the enemies of marketing through the wheat board.

Mr. Nicholson: You have all the time you want.

Mr. Howe (Port Arthur): I think I have only ten minutes more. Which are the two newspapers that are advocating the advances on wheat stored on the farm? One is the Winnipeg *Free Press* and the other is the *Financial Post*. The Winnipeg *Free Press* is a great newspaper, but its declared policy has been for many years to do away with marketing through the wheat board and to return to marketing through the grain exchange. As far as the *Financial Post* is concerned, it too has followed a consistent policy of attempting to end the marketing of western wheat through the wheat board.

Now, let us examine the position of the wheat board. In every market where Canadian grain is sold I think you will find people who will tell you that the ablest grain marketing organization in the world is the Canadian wheat board. The chairman of the board has been in the service of the government for 25 years, his duties associated solely with the marketing of western grain. Associated with him are three very able men who share in the work of the board. I can tell the house that, if the government instructed the wheat board to lend money on farm-stored grain and assume the responsibility for the lending of that money and its subsequent collection, the four members of the wheat board would be out of office within a matter of days.

Mr. Argue: You made them handle box cars against their wishes.

Mr. Howe (Port Arthur): The hon. member made his speech; may I have the next turn. It must be remembered that the money administered by the wheat board is the farmers' money. It is not the board's money, it is not the government's money. True, we provide a bank guarantee to give the board borrowing powers, but the board administers the farmers' funds, and is responsible to the producers for those funds. I have had experience in handling other people's money and I know that if you are going to

do that successfully you must be very careful about your commitments. I have been handling other people's money for 40 years, and I have reason to know whereof I speak.

You must be careful about lending on grain where only limited security can be had. The grain on the farm would be the only security the board would have. It may be said that the farmer would have to market the grain and bring it to the country elevator eventually, when the board would be able to recover its loan; but I suggest that the farmer does not necessarily have to bring it to the country elevator. The hon. member for Assiniboia (Mr. Argue) threatened us with the situation where the farmer would refuse to do that and would feed the grain on his farm. It is perfectly legal for a farmer to sell grain to another farmer within the province. If any of these things happened the board would have no effective recourse. It is true the board would have a lien on the grain, but after the grain has been consumed it would be pretty difficult to execute the board's lien. It is not a lien that takes priority over anything, rather it is a lien that is secondary to other claims.

An effective means of taking security on farm stored grain would be just impossible to work out, and I think the people who started the propaganda knew that, and saw its possibilities as a means of destroying the wheat board. I am sure that that is the case. Why would the *Financial Post* advocate loans on farm-stored grain except as an effective means of destroying the wheat board?

Mr. Argue: What about the delegates?

Mr. Diefenbaker: That is nonsense.

Mr. Howe (Port Arthur): Let us look at the position of the delegates. A resolution was presented to the annual meeting of the united grain growers, one of the oldest co-operative societies in western Canada advocating that loans be made by the wheat board against farm-stored grain, and that resolution was defeated almost unanimously, and with very little discussion. Practically the same resolution was presented to the delegates meeting of the Alberta wheat pool, and it was defeated. The same resolution went before the delegates of the Manitoba wheat pool, was passed at one session, was reconsidered at the next session and modified to ask for loans on farm-stored grain only provided suitable arrangements could be made by the Canadian wheat board.

True, it was passed at the meeting of the delegates of the Saskatchewan pool. Unfortunately I have no way of knowing just what happened, but I was told it was passed by a small margin and after a heated discussion between those for the resolution and those opposed to it.

A favoring resolution was passed by the three farmers' unions, but I must say that at the meeting of the farmers' union which I attended a resolution was presented asking for a vote of confidence in the Canadian wheat board which was passed unanimously, except for one vote in opposition.

In other words, the attitude of the farmers' unions is something like the attitude of the C.C.F. party in this house: that party is in favour of the wheat board but, and the "but" is always there. I have never heard a clean-cut statement from the C.C.F. party that it is unreservedly in favour of the wheat board. I read a clipping of a speech by the hon. member for Prince Albert (Mr. Diefenbaker) in which it was reported that he said that when he came down here he would put a motion before the house that would make the Liberals stand up and be counted regarding their attitude toward loans on farm-stored grain. I am not worried about the attitude of my fellow Liberals, because I know that the Liberal party favours the present methods of marketing wheat and I am pretty sure that our members on the Liberal side will see through the propaganda drive which is behind the demand for advances on farm-stored grain.

I will be most interested to see how the opposition will respond to that demand that they stand up and be counted. I know how a few of them will, particularly the Conservatives. I think I have them pretty well sorted out as to who believes in wheat board marketing and who does not.

Mr. Diefenbaker: What about the western farm conference in December attended by the ministers of agriculture of two of the western provinces?

Mr. Howe (Port Arthur): Is the hon. member referring to the meeting he organized in Prince Albert or the meeting in Regina or Saskatoon?

Mr. Diefenbaker: I am referring to the Saskatoon meeting.

Mr. Howe (Port Arthur): The Saskatoon meeting and the Prince Albert meeting were attended by certain pool leaders, certain implement manufacturers and certain citizens of the towns attended. As far as the Saskatoon meeting is concerned, I did not see any advocacy there of payments on farm-stored grain, although my memory may have slipped. Certainly at the Prince Albert meeting we had a ringing declaration by the

city boys who could hardly wait to get at that $500 million of prospective loans to farmers.

Mr. Diefenbaker: I would like the minister to answer this question. Did the western farm conference in Saskatoon, which was attended by the minister of agriculture of the Liberal government of Manitoba and other representatives, not send a delegation to Ottawa, which included representatives of the Liberal party, to ask for farm-stored wheat advances, and did not Mr. McDonald, the leader of the Liberal party in Saskatchewan, say that your plans were as effective as a stirrup pump in a forest fire?

Mr. Howe (Port Arthur): This delegation came to Ottawa from the Saskatoon conference and my colleagues will confirm the impression that we got from that meeting at Ottawa that there were two or three delegates present who advocated payments on farm-stored grain, but there were certainly those who advocated just the opposite. I will get together all my records of the Saskatoon meeting because we will have further discussion of this subject. I will be able to answer the questions of my hon. friend during the debate which will take place on the legislation.

We are told that the prairies are in a desperate plight, that if something is not done immediately there is going to be a serious drop in buying power on the prairies which will be reflected in eastern Canada and thus we will soon have another depression. I was able to get from the bureau of statistics only the records of retail sales on the prairies for the first nine months in 1955 as compared with the first nine months in 1954. I find that in Manitoba retail sales were up 4·3 per cent.

An hon. Member: Oh, no.

Mr. Howe (Port Arthur): In Alberta retail sales were up by 6·4 per cent.

An hon. Member: That cannot be.

Mr. Howe (Port Arthur): In Saskatchewan retail sales were down by 1·7 per cent.

An hon. Member: We can understand that.

Mr. Howe (Port Arthur): Incidentally, there is no change in the price level between those years. I have no desire to disparage the position of the producers. A certain number of producers have found themselves in difficulty this past season, and the purpose of the guaranteed loan was to relieve those smaller producers. I was told several times, mostly by city people, that it was ridiculous to offer $1,500 and that that was chicken feed. I am not interested in the man who thinks $1,500 is chicken feed. That particular loan was intended to relieve that situation. As far as the long term situation is concerned, it seemed to me it was a hardship on the western farmer that he should be required to pay the carrying charges at the level required when grain storage is filled for practically 12 months in the year. Apart from that, it did not seem to me that there was any particular burden on the farmer through this condition of plenty.

However, the carrying charges, which used to run at between eight and 10 cents a bushel, went up last year to 16 cents a bushel and could go as high as 20 cents a bushel. That is a burden on the farmer for doing something that is in his own interests and also in the interests of the country as a whole, for it is greatly in the interests of the Canadian economy as a whole that we should have orderly marketing of western wheat, and that the full value of that wheat should be recovered through our marketing methods. Therefore, on my return from the western trip, I recommended to the government that the farmer be relieved of a substantial part of the cost of storage involved by the carryover of wheat, that the government take that over and pay carrying charges on the abnormal portion of the carryover of wheat held in storage for government account. That, I think, is reasonable, in these circumstances, and we shall go into that proposal in more detail as we reach the bill presently on the order paper.

I see that my time is exhausted. I might sum up by putting the attitude of the opposition and the attitude of the Liberal party in a few short words. I think it can be fairly said that the attitude of the opposition is that they seek strength and progress through scarcity; as long as there is scarcity they are quite satisfied, and everything is fine. The attitude of the government is that it wants strength and progress through sufficiency. Even if planning for long-range sufficiency involves building up temporary surpluses, we shall take the onus for that program. We shall endeavour to see that hardship is not permitted to fall on the producer, but we are glad to have surpluses, particularly at a time when, in so many areas, we have acute shortages that hold within themselves the seeds of inflation.

Mr. William Bryce (Selkirk): Mr. Speaker, in taking part in this debate I wish, like other members, to congratulate the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I know that it is a great honour to be bestowed on a member, and I am sure the people who sent them here will appreciate the honour that has been bestowed on them.

I wish to raise the problem of the Disabled Persons Act as it is administered in Manitoba. Many disabled persons there are not receiving the benefits of that act. I took this matter up with the genial minister some time ago, and he said that 2,200 people had applied for it in Manitoba, but only 371 people had been granted the pension. Six hundred and seventy people had applied but had been refused, and another 1,000 or 1,500 people had applied but their applications had not been dealt with.

I could take you to the constituency of Selkirk and show you people who can hardly walk along the street. They are not able to earn their bread and butter, but still they have been turned down because they are able to walk. It is misleading to have a Disabled Persons Act when it does not help the people who are disabled and who should be looked after. I am going to appeal again to the government and to the minister that they speed up this matter and see that those who are entitled to this allowance receive it.

Now I wish to talk about conditions in the Selkirk constituency, the interlake country. I have listened to my good friend the Minister of Trade and Commerce (Mr. Howe) telling us today about the great crops we have. In my constituency of Selkirk we have nothing. I told the Prime Minister last year that there would be people starving in Selkirk constituency, and he said that would not be the case. I can assure him it is the case today. People are leaving the interlake district because they cannot get enough to eat. They are crowding into the cities. If a community does not have a crop for one year, it is a catastrophe; but, when it does not have a crop for two years, it is a disaster. The dominion government should step in and do a little for these people.

I said that the people are leaving the interlake district. My good friend, the Minister of Justice(Mr. Garson) knows that what I am saying is true. He has been up there, and I wish he had told the government more about it. He saw the conditions in which these people were living. A survey was made last October at Teulon, about 40 miles from Winnipeg, and it was found that about 60 people were leaving every morning to go to Winnipeg to dig sewers or do other work so that they could get bread and butter for their tables. I do not know how far you are going to let this go before you do something for these people. These people are not wheat farmers, about whom you hear other members talking; they are just ordinary dirt farmers who keep a few cows and cultivate a quarter section of land. Many farmers who had cattle have had to sell them. This survey was taken in Teulon, but the other districts surrounding it, at about the same distance from Winnipeg, are in the same position. I could not give you accurate figures for them, but a survey should be taken. These people who had cattle have very few left now because when the disaster first struck they sold a few head in order to keep going, and since then they have been continually getting rid of more all the time. They are not going to have any cattle left, and it is their cattle on which they depend. They depend on their cattle for the production of cream which brings in enough cash to supply them with the necessities of life.

The provincial government has been concerned with the matter but the provincial officials always tell me that the dominion government is not doing anything and that when they do something the provincial government will step in and help too. When the Minister of Trade and Commerce (Mr. Howe) spoke he referred to mass meetings. There have been many mass meetings in the interlake country, some of them having as many as 500 farmers in attendance. These meetings were not called by any political party. They were called by the rank and file farmers with the support of the municipalities in which they live. These farmers want to know what is going to happen so far as they are concerned.

What does the provincial government offer them? They say that they will try to provide work and wages. How are they going to do that? They say to these farmers, "Well, you can go to the bush." How can a man who has a few head of cattle and other stock go to the bush? The bachelors can go and those farmers who do not do anything but grow grain. The provincial government also said they would pay for the trucking of hay into the districts where it is needed. They said they would pay for the trucking of the hay. What I want to know is, who is going to pay for the hay? These people have no money to buy hay so very little trucking of hay is going on. Mr. Robertson, the minister of agriculture for Manitoba, said to these farmers: "You can go to your municipality and get relief at 6 per cent."

That is the position in which these farmers in Selkirk find themselves. I know what the federal government did. They sent a man to the district to survey the damage to the farms and as a result paid the farmers so much money for damage to their buildings. The farmers of the interlake country do not care what their farms look like. They want to be able to get back into production again. They want to be able to produce cattle because conditions there are really bad.

I want to say something about the Prairie Farm Assistance Act as it affects these people.

I have a resolution here that I am going to read. The interlake farmers come under the P.F.A.A. The Minister of Agriculture (Mr. Gardiner) knows how much money has been paid there. He has paid out more money there than he ever did before but it has only been a drop in the bucket. Then there is the case of the man who bought crown land. If he bought crown land after the 31st of December, 1940, the law says he cannot participate in P.F.A.A. benefits. But here is the hard thing. He has to pay into the fund. Last year the minister said in the house that these men have paid about $300,000 into the fund. I do not know what would happen if any private company or individual took money from people for such a purpose and then refused them the benefits of it. That is what is happening. These farmers have paid $300,000 into the fund but they have never got anything back and the law says they cannot get anything back. I bet that if anybody else did that the Minister of Justice (Mr. Garson) would have the person on the carpet right away. I know he would not let me, any co-operative society or anybody else do it. Money is being taken from these people for benefits that they can never be paid.

I have a resolution here from the Manitoba farmers' union, Fisher Branch, one of the districts that has been pretty badly hit. It contains an appeal on behalf of these people who bought crown lands. When these men came back from the war we were delighted to have them take up farming, but now they have had two or three bad years and the first thing we know they will leave their farms and go back where they came from. The resolution reads as follows:

> Whereas the farmers who bought land from the government after 1940 are not able to participate in the P.F.A.A. assistance and as these farmers contribute into this fund when they deliver grain to any elevator and as these farmers are in a desperate need of assistance in this area;
>
> Be it resolved that we urge the government to consider these needy fellows and bring them into the P.F.A.A. program so they may participate in the assistance along with the other farmers.

I appeal to the minister to give this matter further consideration when he brings the act before the house for revision. If he even granted assistance for this year until times get a little better it would be of tremendous benefit to these people.

In my opinion many eastern members and others who do not know the situation think that when a person receives P.F.A.A. assistance he is getting a lot of money. Some of the cheques that have been arriving in the Eriksdale district have been for $5, $7, $20 and so on. The same is true of the Arborg district. How it is computed that a man should only receive $5 or $7 as a payment for his year's operations I do not know. I think there should be a survey of the Prairie Farm Assistance Act. The whole operation of the legislation should be investigated. During the recess I spent half my time answering letters and dealing with Mr. Bird, the director at Regina, with respect to P.F.A.A. applications. The districts hardest hit are Fisher Branch, Eriksdale, Arborg, Riverton and even some of the sections farther south such as Teulon, Woodlands and Petersfield. They have all been badly hit.

There is no use of my going over the whole matter again, but I want to make a suggestion before I sit down. Our troubles in the west seem to arise from the fact that we have too much grain. Then send some of it to Selkirk. We need feed, we need seed, and there seems to be an abundance. I have not seen it myself but I have seen photographs in the newspapers of wheat standing out in the field. The people of the interlake country have had no crop for two years. They need seed and they need feed so that they will not have to sell more cattle. I do not know how much plainer I can make the situation. It is a desperate one, and I hope that the Manitoba member of the cabinet will help me to impress upon the other members of the cabinet how serious the situation is. The interlake country has met with a disaster such as it never had before. There have been two years during which there has been no crop. I want the Minister of Agriculture (Mr. Gardiner) to give consideration to extending the P.F.A.A. benefits to those who have paid into it. If a man is not to receive the benefits, then do not take his money. I hope the cabinet will send somebody out there, and they will see that I am telling the truth in this house. They will see how serious the situation is. Then, we could ship in feed and seed to these people who so badly need it.

Mr. L. T. Stick (Trinity-Conception): May I be privileged, Mr. Speaker, with other members in this house who have preceded me, to congratulate the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. I do so with the knowledge that to speak in this house, particularly at the opening of the session, is an ordeal through which many people have gone and one which they have carried out with a great deal of distinction to themselves and to this house.

Before beginning my main theme today I wish to refer to a statement made by the hon. member for Rosetown-Biggar (Mr. Coldwell), for whose opinions I have always had a great deal of respect. He referred to the large iron ore deposits which we have in Newfoundland

and Labrador. In the course of his remarks he said this at pages 56 and 57 of *Hansard* for January 12, 1956:

> In the field of trade we find that many significant decisions concerning Canadian economic life are made outside of Canada, that many Canadian firms which are subsidiaries of United States companies buy in the United States from their parent companies or buy from firms with which their United States parent has also entered into contracts, thus placing obstacles in the way of the diversification of Canadian trade.
>
> Should we then not insist that more of our own resources should be used in this country? Not long ago I read in the Montreal *Gazette* a statement made by John C. Doyle, president of Canadian Javelin, which referred to what he called the most valuable and largest iron ore deposit in the world in Labrador. He referred to talks which were going on between the company and United States steel and iron ore interests, and he seemed to suggest that it would be only a matter of time until the company was taken over lock, stock and barrel, as he put it, by United States concerns.
>
> Of course we know what will happen. This iron ore will go down on the railways which are being built to the sea, it will be put into ships and go to the United States.

We have had these iron ore deposits in Labrador for countless ages. We know that Canada is not in a position to digest these large deposits of iron ore, and the question arises, what are we going to do with them? Well, we cannot eat them. It has been suggested also in this house by the hon. member for Rosetown-Biggar, and I have commended him for it, that we give away the great surplus of wheat that we have to the hungry people. As a practising Christian, I cannot take exception to that proposition. Well, we have friends and we have allies who need our raw materials. If we cannot digest our raw materials at the present time I think we have a duty also to our allies to see that they get the raw materials for which their economy is so badly in need.

I am not so concerned about foreign capital coming into Canada to help us with the development of our natural resources. One need only picture the oil situation in Alberta and Saskatchewan. It needed not only United States capital but United States know-how to develop it. If we took a selfish attitude regarding our natural resources, what would have happened to the oil in those provinces? May I say also that of this iron ore which we have there and which we want to put to use, according to the latest information I have, two or three million tons will be going to our allies in Europe to help their economies.

I am not concerned so much about what capital comes in to develop our natural resources, as I am with the fact that we should develop them. When the time comes that Canada needs these natural resources this government, or whatever government is in power, will see that Canada gets her share first. I think that policy has been enunciated in this house for three or four years. I am not concerned so much, therefore, with whether United States capital or any other capital comes into this country as I am with the development of the natural resources we have and putting them to the best use to which they can be put.

We have heard a great deal about wheat in this country. We shall hear more about the wheat situation and the plight of the farmers in the west with whom we all sympathize. I believe a way will be found to help the farmers and relieve them of some of the burdens they are carrying. I am sure that those of us who do not belong to the west will sympathetically receive any reasonable proposition which comes before this house to alleviate any distress in the western provinces. We are not one-section Canadians in this house, we are Canadians. What affects one part of this country affects the other part.

In connection with these very large iron deposits which we have in Labrador, may I say also that we have the largest hydroelectric potential of any part of the world. I refer to the Hamilton river-Grand Falls hydroelectric potential. It may be news to members in this house that a very large British concern, allied with other British concerns, has spent several million dollars in investigating this hydroelectric potential. We have these huge iron ore deposits, and we have other mineral deposits. Right alongside of them we have this wonderful hydroelectric potential which we want to put to use. If we develop our iron ore deposits, we will develop the hydroelectric energy sufficient to run those mines.

We are concerned in Newfoundland to see that this development takes place, and that it goes forward as speedily as possible. It may be news also to some members who have advocated our natural resources in Canada that for the last 50 years we have been exporting iron ore from Bell island to European countries of some 2·5 million tons and a half million to Dominion Steel in Nova Scotia and the balance goes overseas. I have mentioned this in order to bring to the attention of the house that we have a large potential in natural resources which we want to develop and which we wish to develop in the best interests of Canada and the people of our province. In this way we hope to achieve a diversification of our economy and allow our people to get the work they so badly need.

I turn now from quoting the remarks of the hon. member for Rosetown-Biggar to a few remarks made by the hon. member for

Macleod (Mr. Hansell) which are found on page 62 of *Hansard* for January 12, 1956. The hon. member made his usual witty and entertaining speech, and referred to the situation out west. He used these words:

> In a nutshell the problem is this. Here are six loaves of bread and here are six hungry men with no money in their pockets.

The hon. member for Macleod (Mr. Hansell) is a brother divine. I was rather disappointed —when he mentioned the six loaves of bread —that he did not say anything about the little fishes. I am sure he knows the scriptures, and the lesson which we have read so many times, namely, the miracle of the loaves and the fishes. He will remember that that lesson refers to bread and fish; it was not bread alone. In that lesson our Lord demonstrated that what the people needed was a balanced diet. That brings me to my theme, the purpose for which I am speaking here today, namely, the fisheries of Canada.

Mr. Winters: Very good.

Mr. Stick: There are two main primary producers in this country, the farmers and the fishermen. We have heard a lot about the problems of our friends on the farm, but we do not hear overmuch about the problems of the fishermen. Newfoundland was discovered some 450 odd years ago, and it was discovered because of the great wealth which was found in the sea around our coast. We may say that today the fisheries are our national economic problem. It is our national industry; it has always been so and it is still so today. Anybody who knows anything about the sea knows that the fisherman's life is not a rosy one. It is a life of hazard and a gamble, when he has to go out day by day and night by night seeking a living on the face of the water.

Many years ago a bank manager was transferred from the west to St. John's, Newfoundland, and he made a remark something like this. He found it far more difficult to make advances to fish merchants than to farmers when he was in western Canada because when he made his advance on the prospective wheat crop and other grains he could see those grains growing, but when he made advances to a fish merchant he could not see the fish in the sea. According to his story, he was taking greater risks making advances to fish merchants than when he was lending money to farmers. That is true. Our men take chances. Our men go out in their big boats, and a great majority of them in small boats. They go out day by day, and they do not know whether they are going to get a catch of fish or not; but they go. They take the chance; they take all the risks involved in storms and stress of weather which can destroy their fishing gear overnight. They may have very little to show for their day's toil. This has been going on for many centuries in Newfoundland. Therefore, it may be said that our people live by faith, faith in divine Providence to give them the blessings of the harvest of the sea.

Newfoundland has been described as a land of hope and tragedy. I think there is a lot of truth in that also. We have had many tragedies in Newfoundland, but we have always had hope.

As I have said, this has been going on for hundreds of years. Our fishermen now find themselves in the position where it is very difficult for them to replace their equipment owing to the high cost of replacement. It is true that a few years ago we had a depression in our fishing industry. At the present time things are looking a lot better. The high cost of replacement is something about which our fishermen have to worry, and rightly so. As I said, they go out and they produce. They are one of the primary producers of this country. They accept all the hazards of their calling. They look around and they see the products which they have brought in being processed in the processing plants which we have around our coast and which we hope to expand, and they see the workers in those plants qualifying for unemployment insurance. They who have produced the wherewithal to give work to these people are denied this privilege. I go around my riding year after year and I speak to hundreds of our men and our women, too. They say to me: "Mr. Stick, why can we not get the benefits of unemployment insurance?" I say to them: "It is not an easy thing to bring about; there are great difficulties in the way." I hope that in time, after a proper study is made, our fishermen may have the benefit of the system of unemployment insurance, for which they are willing to pay, so that they may feel they are not discriminated against.

Last year we had a report on this problem from an interdepartmental committee. The most charitable thing I can say about that report is that it is the most negative report that I ever read in my life. That committee went out of its way to find every excuse it could so that our fishermen would not have benefit from unemployment insurance. I spoke on it last year and I make an appeal

now. Our fishermen in Newfoundland feel—and I expect this feeling persists in other provinces as well—they have a right to participate in unemployment insurance. Furthermore, they are prepared to pay their proportion the same as other workers. My appeal today is this. Their cause is just; they are worthy of it. I hope the interdepartmental committee will carry on its work until it does find a way to include the fishermen in the national scheme of unemployment insurance which we have in Canada. I do not care what department it comes under. I do not care whether it comes under the Minister of Labour or the Minister of Fisheries. I believe it can be done. This problem can be solved. If there is a will there is a way. It is high time this problem was solved, and something should be done at this session or at the next session.

This is my idea as to how it should be done. I do not want boards of civil servants going around checking on the fishermen to see whether they are fishing today, tomorrow or the next day. In the main, our fishermen are honest people. I put forth this idea for what it is worth. In Newfoundland we know that if a man catches a certain quantity of fish he is a full-time fisherman, and that he must fish the whole season to catch that quantity of fish, whether it is codfish, lobsters or other kinds of fish. Let us get a yardstick so that if the fisherman catches a thousand pounds or two thousand pounds, let us say, of codfish, he would be entitled to full benefit of unemployment insurance, and he would pay for them. If we work out the yardstick on that basis, then he would get his receipts from the merchant to whom he sells his fish, and on those receipts the government, with their agents going around and with their fish inspectors, would know very well that he had caught this quantity of fish and therefore he is a full-time fisherman; he has fished the whole 190 days and is entitled to unemployment insurance because he has paid his assessment the same as the other ordinary worker. Surely, some yardstick can be worked out. There are enough brains in the civil service of Canada to work out a yardstick so that our fishermen by fishing the full time would reap the benefit of unemployment insurance.

The argument used against my suggestion is that it would be subsidizing the fishermen. Well, a rose by any other name smells just as sweet. I have heard the word "subsidization" used as an excuse before. If we adopt such a scheme, then it will encourage our fishermen not only in the fall of the year when they get discouraged and seek some other kind of work, but it will encourage them to keep on fishing right up until the weather prohibits them from fishing. It will also encourage our people in the winter months of January, February, March and part of April when they have nothing to do, when they find that they cannot get employment elsewhere and when they work preparing their boats and building their boats. It will give encouragement to these people by assuring them that in those four months they will be looked after. They are paying for it. It will encourage them to carry on in this industry which is one of the oldest in the world. By carrying on, they will be contributing their share to the economic life of this country.

The fishing industry today is worth about $200 million to Canada. It is capable of great expansion. It cannot be expanded if you have a disgruntled fishing class. If we encourage our fishermen, by showing them they have the sympathy of our people, they will be prepared fully to accept the risks under which they have carried on for many years and they will be adding to the industry and the wealth of this country in no uncertain terms.

May I say a final word. At the main entrance to the House of Commons are these words carved in stone:

> The wholesome sea is at her gates,
> Her gates both east and west.

The words "and north" also should be included.

Everything that comes from the sea is wholesome. Doctors will send you on a sea voyage and to the seacoast as an antidote for frayed and distorted nerves. What applies in the medical profession with regard to health measures, applies to the food which comes from the sea. It is nutritious. Only lately we have been finding that out. What the people of Canada need to eat is a balanced diet. By eating more fish our people's health will be that much more improved. On looking around at the people in this part of Canada, I see a lot of anaemic children, with no colour in their cheeks; but when I go back home and see our own children with the healthy look on their faces, I can only come to one conclusion, namely that it is the fish diet that gives them the bloom in their cheeks. Canada needs a balanced diet and more fish is what we must have to build up the fishing industry. For the sake of Canada and for the health of our people, here and now I advocate that we

encourage our fishermen by giving them unemployment insurance whereby they may carry on under the hazards under which they have been carrying on for centuries. If they do not get this encouragement they will feel disappointment.

Mr. Speaker, I have just about finished. In making this plea, I do so in the best interests of all of Canada and not in the interest of one section only. I do so because if we look after our fishermen and encourage them as we do our farmers and everyone else, I believe we will have a Canada fit to live in; a Canada to which other people are looking and to whose shores they will want to come; a Canada which we all desire; a happy Canada, a prosperous Canada and a good Canada in which to live. We have the land, the forests, the mines and the sea. Surely, with that combination we can work out a scheme of economics whereby all the people of Canada will enjoy that prosperity which we all wish them to have, full health, full stomachs and faith in the future of our country which I believe is brighter than that of any other country.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, may I associate myself with the previous speakers in this debate in complimenting the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

First I should like to deal with a matter which primarily concerns my own riding: that is, the Polymer Corporation, a crown company, of which we in Sarnia are very proud—and I think this is the general opinion of people all across this country. I make this statement because of an article which appeared in a weekly publication published in Fort Erie some months ago. This dealt with the Polymer Corporation but unfortunately did not speak the true facts.

I make this statement also because while the Gordon economic royal commission was sitting in Toronto an hon. member of this house who formerly belonged to the socialist party took it upon himself to state in his presentation to the commission that the government should dispose of all crown companies, including the Polymer Corporation. It so happens that I represent the riding in which Polymer is located and I am going to accept the responsibility of speaking as the member for that riding on behalf of the employees of this successful crown corporation. What I have to say will be confined to the Polymer Corporation and will not refer to any other crown corporation, especially the Canadian Broadcasting Corporation.

Like most hon. members of this house, I assume on both sides, I believe in free enterprise. That may be a misnomer as things are today in Canada, but for what it is worth I believe in free enterprise. I believe also that private enterprise or free enterprise and public ownership can contribute jointly to our economic development. We have considerable evidence of that in our province of Ontario and I think some other provinces have shared a similar experience. It is possible that the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) in suggesting that the government dispose of this particular crown corporation had in mind the success or failure of crown corporations when they attempted to do business in Saskatchewan with such disastrous results.

The Polymer Corporation produces synthetic rubber. I want it understood distinctly that it is not in competition with any other industry in the Dominion of Canada. I have followed this corporation from its beginning. I recall quite well making several statements in this house concerning the responsibility of Polymer to the municipality in the way of paying taxes or making payments in lieu of taxes. I recall the arguments I made year after year but I regret to say that I did not receive any support from any quarter in this house.

The fact is that I met with a great deal of opposition from the Minister of Trade and Commerce (Mr. Howe), who contended right along that this and other crown corporations should not have to pay taxes or make payments in lieu of taxes because of the great contributions they made to the municipalities in which they were situated. Any industry makes a contribution to the municipality in which it is located, but it also imposes upon the municipality the necessity of providing services. I argued year after year that Polymer should make its contribution.

When the city of Sarnia enlarged its boundaries in 1950 and took in the Polymer Corporation in that year this crown company paid the city $45,000 in lieu of taxes. I was disappointed in the smallness of the amount and said so on more than one occasion. I expressed the hope that the government or the Polymer officials would reopen

the matter and renegotiate with the city for a larger sum. Apparently the city made no effort to obtain a larger sum.

I am happy to be able to say today that in 1955 Polymer paid to the city of Sarnia in taxes a total of $282,739. The amount paid in the year previous was slightly smaller, and in the year previous to that it was slightly smaller again. I expect and I hope other hon. members will share my optimism that in the next ten years this crown corporation will in all probability pay to the city of Sarnia well over $3 million. That is not peanuts for any municipality. I am very happy, and I have said so on more than one occasion, that a formula was announced by the former minister of finance, the Hon. Mr. Abbott, in November 1949 which obligated crown companies in this country to assume municipal responsibilities.

Polymer is a very successful corporation which is operated pretty much the same as any private corporation in this country. It has exclusive agencies in 23 countries. There was a period in the history of this crown company when it was touch and go. It was organized and brought into being during the war to play its part in the war effort in providing rubber for vehicles used in fighting that war. We were not able to get natural rubber and this corporation was organized to produce synthetic rubber. It was faced since with the wide fluctuations which occurred in the price of natural rubber, the price going up as high as 46 cents a pound and dropping to less than half that amount. All during that period it was necessary for this company not only to supply the local markets but to increase its production in order to supply the export market at the lowest possible price. As I said a moment ago, they have exclusive agencies in 23 countries selling rubber to most of the free world.

I should like to place a few more statistics on the record because I feel sure hon. members will be interested in the operations of this crown company. Last year it paid $3 million in dividends to the federal treasury and made provision for depreciation in the amount of $5,350,000. Its net income was $4,924,000 out of a gross income of just about $54 million. I am happy to say that it is the largest employer of labour in Sarnia. Only a few weeks ago there were 2,453 people in the employ of the corporation and the payroll for 1954 amounted to $9,790,669.

It will be noticed from these figures that the employees of Polymer are not being paid starvation wages. They are highly skilled technicians. Sarnia is the centre of a large chemical industry in which hundreds and hundreds of engineers are employed. The chemical industry demands that type of employee.

The plant and equipment cost some $72 million. The working capital at the year end was a little over $15 million. The corporation retired $4 million of 4 per cent serial debentures during 1954. The greater part of the capital expenditure during the year went towards increasing productive capacity. Looking at the statements in the past three or four years, I have marvelled that more money was not spent for capital improvement or capital replacement, because this particular company is producing practically twice as much as it was set up to do when it was originally constructed.

I am also happy to see that, since the beginning of the construction of the Polymer Corporation, well over $200 million has been spent for industrial expansion in the city of Sarnia and the area immediately surrounding it. That does not include the immense amounts that are going to be spent by the Ethyl Corporation, the Imperial Oil, Dow Chemical and other companies this year, which will probably run into another $50 million to $75 million. In addition to that, Polymer had an export figure of $37 million in 1954. As I have said in previous years, this particular company has given leadership to private industry in its program of research and development.

There is every evidence from the figures I have quoted that this is a sound industrial enterprise, and I see no reason why Canadian industry should provide a luscious melon to satisfy the hungry taste buds of foreign investment seekers. We have heard about foreign investments, even this morning and on previous occasions in this house during this particular session. We had an eminent resident of Ontario speaking in Boston some months ago and saying that a little over 30 per cent of the investment in Canadian industry was United States money. I understand that this was somewhat qualified a few weeks ago by a United States economist in New York, who produced figures of a breakdown showing that United States investment in Canadian industry was about 44 per cent. That was startling to me, and I am sure it will be to the house.

I am going to say that today's welfare and the future security of Polymer employees should not be determined by any politician,

regardless of what party he happens to belong to, and especially one who has only so recently associated himself with the principles of socialism. The employees of Polymer do not have an inferiority complex as to their capabilities of competing in the competitive world trade in synthetic rubber. I say here emphatically that Polymer must continue to have the right to live as a prosperous Canadian industry owned and controlled by Canadians.

Over the years there have been some attempted disagreements by one of the senior ministers of the crown with statements I have made in this house concerning Polymer. Some of these have been made, of course, in the heat of an election campaign and have less weight, but at all times I have been interested in the welfare of the Polymer employees and the success of that particular corporation. I say that now because I think it is only fair to the taxpayers of Canada and to the members of this house that crown corporations officials should appear before the proper House of Commons committee and give an accounting of their stewardship.

In view of the suggestions that have been made by responsible speakers and by this weekly magazine, and because, too, as I said a moment ago, crown companies should give an accounting to the members who represent certain areas in the Dominion of Canada, I am going to ask that the government permit officials of Polymer to be called before a proper parliamentary committee. I am sure they will report on the remarkable achievements of this industry, which contributed so much to our war effort and which in peacetime has continued to expand at no expense to the Canadian taxpayer. I feel that the officials of Polymer would be glad to come before the committee and proclaim to the members of that committee, to this house and to the people of Canada how successfully they have managed to operate this particular crown company.

The next subject with which I wish to deal probably concerns not many municipalities in Canada, but last year—either during discussion of the estimates or during revision of the bill—it was made known that municipalities having within their boundaries Indian reservations would be entitled to be compensated for services they had rendered to those particular reservations. I immediately contacted the city of Sarnia and learned to my dismay that they had not made any claim since the enlargement of their boundaries, when the Sarnia reservation came within the city limits. As I understand it, it is the law of our country that where a municipality gives services to an Indian reservation it can be compensated by the government for those services—through the Department of Citizenship and Immigration, I suppose, since it is under that particular minister's department. As I have said, this probably does not apply to many municipalities, but in our particular instance this Indian reservation of some 3,900 acres which is still left in the city is very valuable property. A few years ago they sold 100 acres—one of the largest sales—to the Dow Chemical Company for $2,000 per acre. I think that since then they have been asking considerably more. True, other crown-owned property in the city, right on the St. Lawrence seaway, has been sold for some $350 an acre, but that, of course, was sold to a defeated Liberal candidate, and I hope the time has passed when that sort of thing is done. It is not ethical, to begin with, and it is to be hoped it will not happen again. Not every industry can pay $2,000 or $3,000 per acre for industrial property, but it is unfortunate that we have let the time slide by when property could have been purchased by the government and resold to the city for industrial purposes at a price much less than today's asking price.

I have asked the clerk of the city of Sarnia to prepare a table which might be used as a guide to other members who have Indian reservations within their particular ridings. It shows how they make up the amounts they have spent and the figures of the amounts for which they should be reimbursed. I have figures here for the last five years indicating what the reimbursement would have been since the Indian reservation came within the city limits. The table is broken down into the following headings: General government, fire, police, street lighting, public works, sanitation, health, welfare, education, recreation and community services, debt, land purchase and miscellaneous. These figures might be valuable to other members whose communities are in the same predicament as Sarnia, and with your permission, Mr. Speaker, I would ask that the table be incorporated in *Hansard*.

Mr. Deputy Speaker: Has the hon. member unanimous consent to place this table on *Hansard*?

Some hon. Members: Agreed.

Mr. Murphy (Lambton West): Thank you, Mr. Speaker. The table is as follows:

CITY OF SARNIA, ONTARIO

CLAIM "GRANT IN LIEU OF TAXES, INDIAN RESERVE LANDS"

TOTAL ASSESSMENT $1,784,095.00

—	1951 61 mills Division of Rate	1952 66·5 mills Division of Rate	1953 48·5 mills Division of Rate	1954 48·5 mills Division of Rate	1955 50·27 mills Division of Rate
General Government	4·38	5·51	3·12	3·68	3·63
Fire	3·62	3·77	2·73	2·58	2·61
Police	3·53	3·90	2·73	2·75	2·77
Street Lighting, Misc. Prot	2·22	2·34	1·45	1·46	1·65
Public Works	5·44	6·02	4·80	4·96	4·92
Sanitation	2·83	3·05	2·47	2·67	2·48
Health	2·15	2·21	1·68	1·20	1·69
Welfare	3·56	3·21	1·99	1·96	1·74
Education	25·00	29·40	21·02	19·23	20·90
Recreation and Community Services	2·20	2·13	1·54	1·58	1·58
Debt	4·06	3·75	3·05	4·58	4·59
Land Purchase and Misc	2·01	1·21	1·92	1·85	1·71
	61·00	66·50	48·50	48·50	50·27
General Government	4·38	5·51	3·12	3·68	3·63
Fire	3·62	3·77	2·73	2·58	2·61
Police	3·53	3·90	2·73	2·75	2·77
Public Works	5·44	6·02	4·80	4·96	4·92
Health	2·15	2·21	1·68	1·20	1·69
	19·12 mills	21·41 mills	15·06 mills	15·17 mills	15·62 mills
CLAIM	$34,118.96	$38,197.47	$26,868.47	$27,064.72	$27,867.56
TOTAL APPLICATION	$154,117.18				

The figures are based on assessment and appear to be very reasonable because one can readily see that 3,700 or 3,800 acres at $2,000 an acre amounts to $6 million or $7 million while the assessment is about $1¾ million. For the year 1951 the city claimed $34,118.96 on the basis of a rate of 19·12 mills. For 1952 the city claimed $38,197.47, for 1953 $28,868.47, for 1954 $27,064.72 and for 1955 $27,867.56, making a total of $154,117.18. The mayor of Sarnia was mayor before annexation of this land by the city but just because he and the other elected officials did not know that the city was entitled to this consideration from the federal government is no reason why the city should not be given it. I ask the government to make the payment retroactive to the particular time when the city enlarged its boundaries and took in the Indian reservation.

I do not hesitate to say that this amount is not peanuts and I would also say that the elected officials, especially the one holding the highest office, have been grossly negligent in not inquiring into what they were entitled to receive from the senior government. One cannot pick up a newspaper without seeing that some municipality is squawking about the small amount of its income in proportion to the total tax dollar. True, the federal government is taking about 78 cents out of every tax dollar and the municipalities are hard pressed. While the senior officials of this or any other municipality may be grossly negligent, and I say they are, that is no reason why the federal government should be so niggardly in its attitude and refuse over the years to inform these municipalities of the fact that the federal government has an obligation to them. In view of the large amount that the federal government takes out of the tax dollar and the conditions in which the municipalities find themselves today, I say it is a shameful thing that this or any other government should not let the municipalities know about considerations such as this that entitle them to receive money from the senior government or any other government.

There may be other municipalities in this country that have a great deal more coming to them than in this case and over a greater period of years. I cannot condemn too strongly the action of any government in neglecting its obligations to a municipality, especially in these days when municipalities find themselves so hard pressed to meet their own requirements.

Last session, Mr. Speaker, a committee was set up to study fishing conditions on the great lakes. It was one of the most instructive committees on which I have ever had the pleasure of being a member. From the expert evidence given at the meetings of the committee we learned to our dismay that the lamprey menace on the great lakes was costing some $5 million a year. I think that the members of the committee were greatly impressed by the testimony and I am sure that the minister, who I regret is not here, took a most realistic view in an effort to solve the problem facing the fishermen on the great lakes today. I know that in the debate on the bill in the house after it was considered by the committee one could gather from the minister's remarks that he was very anxious that the situation be corrected and without delay.

Since that time an international joint committee has been set up on which there are three Canadian members. In fact, they are three Ontario members because only one province in Canada is on the great lakes. There are also three representatives from the United States representing the eight states bordering on the great lakes. I believe the personnel of that committee was announced early in December, and I was rather amazed to find there the name of one particular man. I was dumbfounded to think that the minister could have chosen him because we had been in contact with this particular individual, Mr. Harkness of Toronto, a civil service employee of the Ontario government, during a meeting of the fishermen of the Sarnia district and through certain newspaper articles.

I recall quite well having urged a sort of double flank movement to eradicate the lamprey menace and suggested that not only should we meet the attack in lake Superior but also in lake Huron because otherwise we would suffer a $5 million loss annually until the menace was eradicated. We urged that the hatchery at Point Edward be kept open and we found that this particular member of the committee, who had not been appointed at that time, declared to the press in a newspaper article that restocking the lakes was like spitting in the ocean. He should be an authority on spitting in the ocean because that is all he has been doing for the last ten or twelve years to preserve the fishing industry in the great lakes. In the meantime the trout fishing industry is being eliminated and the fishermen are going broke. In my end of lake Huron some of the fishermen are not even going to set out their nets in the spring.

I do not intend to enlarge upon the qualifications of the other members of the committee because I am not competent to do so, but I do think it is quite important that when anybody who is a member of such an important committee takes such a negative attitude that attitude should be revealed to the members of the house. I would say he is

not fit to be a member of the committee. You never solve any problem by a negative approach, and if any member of this international joint committee is going to take a negative approach to the solution of the problem of a loss of $5 million annually to this industry he had better be replaced by somebody else.

In the course of the debate last year on this subject there was no dissension of opinion except that I believe the view was expressed that the campaign should be confined to lake Superior. It was said that the lamprey should be eradicated there before they got the toehold that they have in lake Huron and lake Michigan. I disagree with that on principle because, as many members may recall, the life span of the lamprey is about six years and after it spawns it dies.

Figures were tabled at that particular time showing the loss to the trout fishing industry. I contended then that when the lamprey eels were through eating the trout they were going to attack the whitefish and the pickerel. That is what they are doing. I am going to ask the indulgence of the house again to have a table put on *Hansard* showing the catch in lake Huron off the shores of the county of Lambton and the county of Huron. The table was prepared by the Ontario government. There are alarming figures here with respect to the catch of whitefish in that part of lake Huron. In 1949 the catch amounted to 118,894 pounds and in 1954 the amount was 29,887 pounds, just about a quarter. That is a very alarming situation.

I am going to emphasize again, as forcibly as I can, the necessity of this government seeing that the joint committee take double barrelled action. If they are going to reestablish the fishing industry on the great lakes, they cannot wait another seven or eight years, which is the time it may take to destroy the lamprey in lake Superior. In the meantime, the fishing industry in lake Huron will be destroyed. By that time, there will not be any whitefish left and the lamprey will be after the pickerel. The $5 million a year that this industry has contributed to the joint economy of the two countries is no small amount of money.

The amount appropriated last year for this work was $350,000, including research. I do not believe that is sufficient to do even the necessary work in lake Superior. According to the evidence given before the committee, there are some 40 to 50 streams emptying into lake Huron around Manitoulin in which these electrical weirs could be installed at a cost of from $5,000 to $10,000 a season, including operations. These weirs have proven successful in killing the lamprey as they come up to spawn. I maintain that the members of this house, through this government, must make provision for this joint commission to have more money, enough money so they can make a joint attack in lake Huron. I go along with the idea of exterminating them in lake Superior, but we should not wait until they are exterminated in lake Superior before making an attack in lake Huron. In the meantime, the fishermen will go broke, and we will have completely lost an important industry. I believe it is only sound common sense and good judgment on the part of business or government, when an industry can be rehabilitated which is worth so much to our economy, to act without delay.

I am suggesting, Mr. Speaker, that before the estimates are put in final form, some provision should be made to cover this matter. I am sure the Minister of Finance (Mr. Harris) is quite aware of the menace because he has never lived too far away from the great lakes region. We also know that these streams in which the lamprey spawn are in the riding of the Secretary of State for External Affairs (Mr. Pearson). I do not believe he has anything to do with the lamprey, but I do hope he does something towards the extermination of this pest. I feel sure he would lend an attentive ear because, after all is said and done, many of the people in his riding are fishermen. I was glad to hear the hon. member for Trinity-Conception (Mr. Stick) speak this morning on behalf of all fishermen, and not only those in his own riding.

I should like, if I may, Mr. Speaker, to have permission to place on *Hansard* a table compiled by the Ontario government showing the catch of lake trout, pickerel and whitefish in lake Huron in the counties of Lambton and Huron.

Mr. Deputy Speaker: Has the hon. member unanimous consent to place his table on *Hansard*?

Some hon. Members: Agreed.

Mr. Murphy (Lambton West): The table follows:

Catch of lake trout, pickerel and whitefish in pounds in Huron county

Year	Pickerel	Whitefish	Lake Trout
1954	494	128,501	—
1953	7,445	61,126	—
1952	2,843	123,262	—
1951	2,291	225,549	—
1950	95	15,825	—
1949	614	21,916	106

Catch of lake trout, pickerel and whitefish in pounds in Lambton county

Year	Pickerel	Whitefish	Lake Trout
1954	230,453	29,887	202
1953	299,628	46,707	20
1952	215,064	88,696	122
1951	251,371	80,621	96
1950	239,272	55,999	102
1949	204,013	118,894	136

I shall close in just a moment or two, but I want to mention a letter I received this morning from Port Huron. This city is right across from Sarnia on the United States side. The fishermen there are also concerned about what is taking place and what is not taking place. No doubt some hon. members in this house will be surprised that these people in the United States do not operate hatcheries as we do in Ontario. We have always maintained that hatcheries were necessary to restock the lakes. Perhaps these people took it for granted that our stocking of the lakes would be sufficient for their welfare.

We have met with these people and the members of the legislature of Michigan. This morning I received information that they are introducing a bill, that is the state of Michigan, which will involve a cost to the taxpayers of some $500,000, that is $100,000 a year for a five-year program of research and restocking. I am happy to see that they realize their position. They are opening hatcheries, and I think that is something we must do. I feel that when the government and their advisers look at the information available on the lessening of the various catches, they too will find it necessary to take additional measures. I believe that these 50 streams I mentioned a minute ago are the places, and probably the only places, where these lamprey spawn, so we are justified in asking the government to provide sufficient money to put in these weirs. If it happens to be a hundred, we should still make the expenditure because we will not re-establish the industry until the lamprey is exterminated.

I do hope that some of the members of the committee will be allowed to see how this program is progressing. I hope the committee will be set up as early as possible in this particular session. I am going to make one suggestion in closing. I hope the federal government can make representations to the one department of the Ontario government which issues permits for these sand suckers to take out sand and gravel as they do where lake Huron joins the river St. Clair. Hundreds of thousands of tons are taken to Toronto, Hamilton or Cleveland. I would think that Hamilton and Toronto could find sand and gravel elsewhere. In any event the old fishermen tell me that the removal of that sand in such large quantities destroys the spawning beds of the fish within 20 to 25 miles of the spot where the sand is taken out.

We have protested this action in the past, and I am glad to say that I do not believe any licences were granted this year. But as part and parcel of the program to re-establish the fishing industry on the great lakes, representations ought to be made to definitely ensure no more sand or gravel is taken out of that particular area. I am quite prepared to take the word of the old fishermen, who have had 30 years' experience, that the removal of the sand destroys these spawning beds. I am hoping that this session this government will find sufficient money to eradicate the lamprey menace within three or four years and thereby re-establish the fishing industry on the great lakes, an industry which has made a great contribution to the economy of this country.

Mr. J. L. MacDougall (Vancouver-Burrard): I have been afforded a great opportunity, Mr. Speaker, to speak in this debate. I am not going to do as other members have done and thank the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. I never have done so because I believe that when the leaders of the opposition parties have done that on behalf of their parties, that is sufficient. Certainly, I feel it is true to say that many of these expressions of thanks, particularly those coming from opposition groups, are not entirely truthful. The upshot of the whole thing is that it could well be eliminated once the members who lead the various groups in the house thank the mover and seconder of the address.

I am sorry the hon. member for Rosetown-Biggar is not in his seat because I should like to draw attention to some remarks he made on November 1 while speaking in the town of Terrace in my province. He made an accusation against the federal government, and if he had only broadened his target to include everyone in the House of Commons I would support his contention 100 per cent. But he narrowed it down to a condemnation of the government when he said that they lacked vision. I think that every member of every party in every corner in this house, to a greater or lesser degree, lacked the vision to realize what a great country we have from the Atlantic to the Pacific. Therefore, if he would only say that his own party as well as the Liberal party lacked vision I would be inclined to go along with him; but since he has narrowed his target to represent only the Liberal administration, unfortunately I will have to disagree with him.

I could buy about nine-tenths of what was said in the speech from the throne. I was rather amazed at my good friend, the Leader of the Opposition (Mr. Drew), the other day. When he was about to move his want of confidence motion he said there was nothing new in the speech from the throne. Well, I am quite sure that the Leader of the Opposition from his childhood to the present time has consistently read his Bible. I do not think

that every time he reads it he expects to find something new in it. Possibly he will get a greater understanding of what is in the Bible, but not necessarily anything new, because the same words are in it now that were there at the time of King James.

I think that by and large, of the speeches of members of the opposition, the leader of the official opposition was not as dynamic as he generally has been on past occasions. I think the leader of the C.C.F. party (Mr. Coldwell) excelled himself as far as leaders of the opposition parties are concerned. I cannot forget my good friend, the hon. member for Macleod (Mr. Hansell), who really put on a good show the other night, but in the final analysis I do not think he said very much.

Mr. Lennard: What about your own leader?

Mr. MacDougall: The hon. member would not expect me to comment on that.

Mr. Diefenbaker: You are more than discreet not to.

Mr. MacDougall: The whole question comes down to the matter of what is generally agreed across the length and breadth of the country to be good economics in government administration.

I must confess that this morning I was very much impressed with my good friend, the Minister of Trade and Commerce (Mr. Howe). You know, I hate to disagree with the hon. member for Prince Albert (Mr. Diefenbaker), who has been a good friend of mine for many years; but I sometimes wonder whether there is a little difference between an honest to goodness real dirt sod buster and a city slicker. I remember that on April 22 last my good friend the hon. member for Qu'Appelle (Mr. Mang)—and he is really an honest-to-goodness sod buster; he is not one of those city slickers who go out to the manor every week end; he is there all of the time—said that he wished the people in this house realized that the western farmer was not bankrupt.

I think back to the days when I was a sod buster—and that is quite a while ago. In those days I busted sod with a team of oxen. I think I have intimated in this house before that in the old days we used to have itinerant preachers in Saskatchewan. One of them became a driver of oxen and worked for a neighbour of ours. He gave up preaching. My father asked him why he gave it up and he said: "No man can continue to be a Christian if he drives oxen." I had that experience, and I know there is a lot in it. Before the outbreak of the first world war I was very much inclined that way. Since I was the youngest of a family of ten, none of whom had taken the cloth, I was very much tempted to go in for the ministry, but in the meantime I had driven a team of four oxen and there it ended.

I should like to speak for a few minutes on the trans-Canada highway. I commend the minister—

Mr. Knowles: Is that where you are going to drive your oxen?

Mr. MacDougall: —for the interest he has taken in the trans-Canada highway. The policy that was announced by the federal government when the trans-Canada highway was first conceived was a fair policy at that time. In the time that has elapsed we have seen the program of trans-Canada construction falling far, far below expectations. It seems to me the government will be well advised to reconsider a revision of the program which the minister has now decided on. Before I continue with this subject, may I assert that regardless of what I may say I am still a 100 per cent Liberal, and do not let anyone think that I have any idea of joining any other party.

In British Columbia we have a terrifically high cost of road construction. It runs to something approximating $169,000 a mile in the mountainous area as compared with $60,000 odd in the prairie provinces. Therefore, there is a great difference between the amount that one province has to spend in comparison with another in order to fulfil the terms of the agreement originally made with the federal government in connection with the trans-Canada highway. As far as I am concerned there is no argument in connection with this statement. I do not think that any of us who are sincere in our belief will disagree that, so far as provincial administrations are concerned, roads through mining areas, or lateral roads within the confines of the individual provinces, are of prime importance. That is their chief concern. I don't know that I blame them for it. Now, with that great difference of cost in the construction of the province of Saskatchewan—I say that pretty well because of the prairie provinces as well and the province of British Columbia—that policy of a 50-50 deal is scarcely good enough. First of all we have in the trans-Canada highway one of the real Canadian projects, when it is completed. It is 100 per cent Canadian, because it will link the furthermost eastern portion of our realm to the furthermost western portion and consequently it is a 100 per cent Canadian undertaking. I sincerely suggest to the government and particularly to my good friend, the Minister of Public Works (Mr. Winters), that they revise the situation with

respect to the construction of the trans-Canada highway, and that, from this date hereon, the federal government will bear 100 per cent of the cost of the completion of the trans-Canada highway.

Now I hold in my hands, Mr. Speaker, *Votes and Proceedings* of January 12, and on page 18 is one resolution that I am afraid I cannot go along with:

> That it is expedient to introduce a measure for the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

Now maybe you will say that I am old-fashioned. I probably am; but, you know, being old-fashioned has its virtues just the same as being modernistic has certain virtues. I can well remember my father, when he was a much younger man than I am today, telling me, not on one but on several occasions: My boy, I want to tell you this fact of life; that you will never cure the economic ills of any country by charity.

I think that axiom is just as true today as it was when he uttered those words. Now as I have already stated, I used to be a western farmer. Western farmers, in their thinking, do not change very much from one generation to another, and I am taking the word of a practical western farmer when I quoted earlier what the hon. member from Qu'Appelle said. Now in connection with this I congratulate the government on being sincere in their endeavour to help the economy of everyone in the Dominion of Canada. From that I do not think there is any argument, but in this instance I believe that it is not going to be even remedial. There is no need to tell you that in this broad domain of ours we have the Atlantic on the east and the Pacific on the west. We have another ocean to the north and we have on some portion of the southern part of our realm the great lakes. We are, therefore, by and large a marine country. I want to tell you, Mr. Speaker, that if this item goes through—now I cannot give you the exact figure, but I understand that it is to be in the neighbourhood of something like $30 million—that that is not going to satisfy the western farmer. I have a vivid recollection of what happened in the last parliament, when unfortunately, with my vote, I aided and abetted the giving of $65 million to the western farmers as the unexpired portion of moneys that could have been spent by the United Kingdom for the purchase of grain under the wheat agreements at that time. That $65 million did not cure anything. When we had voted that $65 million, I doubt very much if the ink was dry on the paper before my good friend from Assiniboia (Mr. Argue) was hollering for $365 million. Now you cannot very well appease that type of thinking. As I have said, we are, whether we recognize it or not, a marine country; and if we pass this resolution, certainly it is in condemnation of the government if they do not, because they have acted most magnanimously with all these things. You are going to find in the prairie provinces that you are going to have a new prairie song, particularly in Saskatchewan, applicable also in Manitoba and Alberta, and the song is going to be: Strike up the band, here come the sailors with cash in their hands just off the whaler, stand in a row, do not let them go, for Jack Canuck is a cinch and every inch a sailor. That is what those boys are going to think of the federal government with $30 million minimum handout in connection with the storage of grain. I was amazed when the Minister of Trade and Commerce (Mr. Howe) said that the storage charges were going to be as high as 15 and 16 cents a bushel or even go a little higher. That is quite a bit of folding money, no doubt about it; but do not forget, Mr. Speaker, despite storage charges, they have something to store. As the minister pointed out, those surpluses are not the great curse that some of our friends would like us to believe.

Now there is another surplus that I want to mention and that is the question of butter. You know there has been a lot said about wheat and a lot said about butter, if you believe everything that my good friends from the opposition benches say about the government's policy in connection with wheat and butter. It is an amazing thing to me when in 1953 the government went to the country without promising a solitary single thing excepting good government. They promised nothing but a continuance of good government. My good friends in the official opposition were going to reduce expenditures by $500 million a year, year after year. Well you know, the people of Canada may be a bit naïve on occasions but they are not crazy enough to swallow that line of malarkey. Promises are just promises regardless of who happens to make them, whether he sits on your extreme left with the socialist party or is part of the official opposition or of the government. I believe the people of Canada have come to the point where they believe that the future performance of the government can be judged by its past performance. The administration was returned in 1953 without having made one single, solitary promise to the electorate of Canada other than the continuance of good government.

Now a word about butter. I hope the Minister of Agriculture (Mr. Gardiner) will agree when I say that presumably we have a small, not a great surplus of butter. I think that if we were able to sell three to four million pounds of butter over the sales for the present year we would wind up at the end of the calendar year with no surplus at all. But supposing we do have a surplus, then I would offer two suggestions to the administration.

Some years ago when Holland started the manufacture of margarine they found that they had quite a surplus of butter. In order to correct this situation they amended their margarine legislation to provide that in the future all margarine should contain a certain percentage of butter. As a result of that the butter surplus was eliminated. This would be all to the good as I have never been convinced even by the advertising that is put out that margarine is as good a food product as butter. If this surplus continues, why should we not do as Holland has done and insist that each pound of margarine contain a certain percentage of butter?

If we do not want to do that, and if we are still faced with a surplus of butter, then my second suggestion would be that that butter be sold to the taxpayers who have bought it at the same price as margarine is being sold. I will buy that one any day in the week. It seems to me that that is one of two logical ways to dispose of this surplus which a great many people, particularly opposition people, seem to regard as criminal. We should give thanks to the Almighty for having surpluses of this, that and the other thing rather than scarcities.

There are many other things I could deal with before the expiration of my time, but I am going to mention only one. I think hon. members by and large, regardless of their politics, had the hope when the civilian disability pension legislation was passed that it would be broad enough to cover a wife who was disabled, a husband who was disabled, or a son or daughter who was disabled. I know of one tragic case in Vancouver where the husband cannot get a disability pension for his wife who is suffering from multiple sclerosis and who must be waited on and nursed practically around the clock because he is earning a certain amount of money, not too much but enough to just put him over the borderline. As a result the wife cannot obtain a civilian disability pension.

I know as far as I am concerned, and I think this would apply to many hon. members whether they sit in the opposition or on the government side, that that was not the spirit in which I considered the civilian disability pension legislation. I should like very much to have the government take cognizance of this right now, not next year or the year after, and make the necessary rectification of the legislation.

The speech from the throne does not indicate this as being one of the pieces of legislation to be amended at this session, but I think this is something that would appeal to the heart and mind of every full-blooded Canadian from the Atlantic to the Pacific. It has happened quite often that after new legislation has been passed and in force for some time we fail to iron out the bugs that develop. You know perfectly well that when a new type of airplane is constructed quite often bugs may develop. The Comet II was an outstanding example. However, in that case the bugs were eliminated and today the Comet III is one of the world's greatest airplanes. The Comet II was grounded because of bugs in the construction.

I am sure I speak for all in the house when I say that none of us wants to see the civilian disability pension legislation grounded because of bugs. Let us start immediately to eliminate the bugs and thus fulfil the spirit rather than the letter of the act.

In conclusion I just want to say that despite all the haranguing about the situation in Canada being pretty bad, about the poor farmer being in such a terrible condition, about the fisherman being faced with such awful conditions, I think it can be said that while things are not as good as they ought to be, by and large the economy of this country —I do not think I am exaggerating—is buoyant and the future is bright.

I must congratulate the Minister of Finance (Mr. Harris) on the bold endeavour he made in his first budget. If he will stop talking to that Tory who is sitting with him he will hear what I am saying, but I am not going to repeat it. I congratulate him because I think he has done a very fine job. Further, I think it is fair to say that the time has come for us to do what is right and not what is expedient, that the time is ripe for us to act with courage and not temerity in all things respecting the government and welfare of this beloved nation of ours.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I wish to join the other members of this house in congratulating both the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I am particularly happy to do so on this occasion, as I have gathered that during the course of the present session we shall be asked to agree to a bill

granting women of the federal civil service equal status with men. This, in my opinion, is most certainly a move in the right direction.

In making my maiden speech in the Canadian House of Commons I feel very humble indeed. I am well aware of the honour which was given to me by the people of my riding. I am equally aware of the responsibilities that I must now assume as a member of this house. I realize, Mr. Speaker, that in you and your office are centred many of the fine and valuable traditions that have been handed down to us through the centuries, and that from your dais stems the guidance which makes our democratic process function.

I shall readily admit that in the field of parliamentary procedure I am one of the infants of this house. However, I shall at all times attempt to give your high office the respect and attention to which it is entitled, and I wish to assure you that I shall more than gladly welcome any guidance and assistance you may see fit to give me personally from time to time. At this time I should like to thank you personally, and through you the members of your staff, for the many courtesies which were extended to me during my short stay here last July. I would also like to include in this respect the courteous consideration I received from the members of all parties, the members of the civil service and others. I was the only new member at that time, and I feel that everyone went out of their way to, shall I say, acclimatize me during my stay here.

The riding which I represent, Battle River-Camrose, came into being following the 1952 redistribution. My predecessor, Robert Fair, was the first member of this new riding. This territory has a population of approximately 58,000 people. The vast percentage of these people are either actively engaged in agriculture or are dependent upon agriculture for their livelihood. It is an area of many small communities, each of which is justly proud of itself.

The only city in my riding is the jubilee city of Camrose. Camrose is the youngest city in Canada, and as such celebrated its first birthday last September. It was my privilege to attend its first birthday dinner, and I was very pleased to notice that at this gathering the vast majority of the guests were men and women in civic positions in the city, the administrative staff of the city offices, the teachers, members of the department of public works and others. To me this was a fine gesture on the part of the mayor and members of his council, for far too often those people charged with the responsibility of carrying out established policies are overlooked in civic functions of this type.

Other large centres found in my riding are Lloydminster, a meridian town as it straddles the Alberta-Saskatchewan border; Vermilion, where one may find one of the large generating plants operated by Canadian Utilities; Viking, just north of which is the large natural gas field which for years was the major source of fuel for the city of Edmonton; Wainwright, which until recent years was noted for its large buffalo park, the area now being a part of the Wainwright military camp; Bashaw; Hardisty; Holden; Daysland; Killam; and others.

Most of the towns and villages within my riding have taken advantage of the Alberta government's self-liquidating revolving fund and secured money at a very low rate of interest to instal water, sewage and other community projects. By making this money thus available the Alberta government has given the people of the smaller communities of the province the same modern conveniences enjoyed by city dwellers. It was with a great deal of pleasure that I officially opened the waterworks project in the village of Kitscoty, where my family and myself had resided for many years.

The ethnic origin of the people of Battle River-Camrose is, to my mind, a true example of how peoples of many nationalities can become one under a democratic system such as ours. It is not hard to find people whose ancestors came to Canada from the British Isles, from the United States, from the Scandinavian peninsula, France, Germany, the Ukraine, Poland, Russia, Czechoslovakia, Italy, Belgium, Holland and other European countries, all living together within this riding; and they are not only proud that they are now Canadian but they are consistently and conscientiously working together to make this a happier and more prosperous nation. We are all Canadians; and, while many of us still cherish and like to practise some of the customs of our ancestors, we are prepared to admit that we have gained and are still gaining much from the cultures of other ethnic groups. The United States often maintains that it is the melting pot of national groups. I would not want it to think that it is the only nation entitled to claim this singular distinction.

During the latter part of 1955 we in Alberta celebrated the golden jubilee year of our province. On this eventful occasion we were very happy to have with us for a short time the Prime Minister of Canada. It was a thrilling sight to see him being driven up to our legislative buildings, accompanied by our Lieutenant Governor Bowlen, in the same landau which had been used by Sir Wilfrid Laurier 50 years previously. This was a sight

that stirred the emotions of most of us. It reminded us that we Albertans are a part of a large and growing nation.

This was a gala event. However, to my mind the events which really struck at the heart of Alberta were the ones which were held in the smaller communities throughout the province where the local people, young and old, gathered together to do honour to their senior citizens. It was at gatherings such as these that we of the younger generation were given the opportunity of expressing our appreciation to the men and women who had come to our province over 50 years ago, stayed there and played their respective parts in the moulding of our communities and the province as a whole. I can well recall watching one little old lady going forward to accept a scroll which was given to her at that time, a scroll which she so richly deserved. These events definitely laid down a challenge to the younger people of these communities, a challenge to continue the growth of Alberta and make it a still better part of our great country.

I would not want any member of the house to feel that all is well in my riding, because that most certainly is not the case. We have many problems which are bothering us. As I have already stated, agriculture is our basic industry just as it is still the basic industry of the whole of Canada. We in Battle River-Camrose have thousands upon thousands of bushels of wheat which cannot be marketed. I most certainly subscribe, Mr. Speaker, to the sentiments expressed by the hon. member for Macleod (Mr. Hansell), the hon. member for Lethbridge (Mr. Blackmore) and other hon. members on this side of the house. They have already mentioned the need for immediate action to provide cash advances to the farmers of the west to alleviate the crisis now confronting them. I am certain that all members from the west are acutely aware of this crisis, and that each and every one of them will be striving to persuade the government that something effective must be done immediately to, first, relieve the situation as it now exists and, second, establish machinery which will not permit such a disaster to happen again.

Many meetings of the farmers in my riding have been held to discuss this serious problem, serious because it affects the whole economy of western Canada right now and will within the very near future have an adverse effect upon the economy of the whole of Canada. At the annual convention of the farmers' union of Alberta one could sense the uneasiness that existed in the minds of the delegates, and we must remember that the delegates were only reflecting the over-all thoughts of the farmers and townspeople of their own areas. There is very little use trying to encourage our young people to remain upon the farms of the west as long as the present uncertainty in the industry remains. Our farmers are forced to face too many crises, too many risks of nature from the time they sow their grain until they have it harvested, to have to face the risk of not being able to market their products at the end of the season. I would again like to point out, just as it has been pointed out time and time again in this house, that the farmers of Canada fall far short of receiving their rightful share of the national income.

You may well ask what are the Social Credit proposals for remedying this serious situation. I wish now to quote from a statement released to the press by the Social Credit caucus in Alberta in early December. They had this to say:

> The present federal policy with respect to loans on farm-stored grain is entirely inadequate and the proposal to put the farmers further into debt at 5 per cent interest is unfair and unjust when all the circumstances are taken into consideration. Not many farmers will be able to qualify for the full amount of the loan. Even if more of them did, the amount would not be sufficient in many cases to take care of the debts incurred in putting in and taking off the crop.
>
> We believe the federal government should make it possible for the Canadian wheat board to make cash advances to farmers against grain stored on the farm. The Canadian government should make an immediate start on provision of approved storage on the farms. One way of doing this would be to pay the farmer storage rates on the same basis as paid to elevators, if they build approved facilities.
>
> It is obvious that the federal government does not have the answer to surplus production. We do not look upon surpluses as a calamity. It is only when we bungle the handling of them that they become such. If we provide proper storage, widely dispersed on the farms, and are prepared to use the national credit to finance the cash advances against the surpluses so stored, these surpluses can become a blessing to our country and the world in the years ahead.
>
> As a long-range program towards a permanent solution to the problem of surplus grain production the Canadian government should undertake a vigorous sales campaign to sell our surplus agricultural products to other nations requiring additional food supplies. To this end we should be prepared to enter into barter deals, credit deals and to accept at least some currencies of the importing countries in exchange for our surplus grain.

Nor would I wish hon. members to feel that the marketing of grain is the only problem of concern among the farmers of the west. The hog raisers in my area are going out of business as rapidly as possible because the returns from this branch of agriculture are not sufficient to justify the cost of feed and the work which must go into raising a litter of pigs for market. The cattlemen are viewing with alarm the steady decline in prices being paid for their stock on the Winnipeg and

other markets of the west. This winter has all the appearance of being similar to the winter of 1919. Cattlemen were forced to start feeding their cattle early in November, and many of them are seriously concerned whether or not they have sufficient feed on hand to carry them through.

I do know that the price demanded for baled hay has risen by leaps and bounds during the last few weeks. What will likely happen if the winter continues to be severe is that many of the smaller ranchers will be forced to place their cattle upon the markets of the west. As it takes years to build up a foundation herd, I feel that this would be very serious to many of the smaller ranchers in my area. We can also appreciate the depressing effect that the dumping of a large number of cattle will have upon the open market.

Some question with respect to whether the so-called floor price on hogs is being maintained was raised in the house the other day. It is my opinion, Mr. Speaker, that not only should the floor price on hogs be strictly adhered to, but that there should also be established a floor on all agricultural products, including cattle and cereal grains.

It has already been pointed out that the crisis in western agriculture has been growing in the last few years. This unhappy situation has affected practically everyone living in my riding. When a farmer's income is cut off it affects the merchant, the machinery agent, the professional people; in fact, nearly every phase of our life is affected. It is my intention to deal at greater length with this problem at another time. We still have problems centring around the administration of the Prairie Farm Assistance Act, the Income Tax Act as it affects farmers, old age pensions, veterans allowances, the Meridian bridge just north of Lloydminster, and public buildings. Just in that connection, Mr. Speaker, I wish to compliment the government, and more particularly the Minister of Public Works, upon the fine federal building which is now being constructed in the city of Camrose. I trust that similar structures will soon be undertaken in other parts of my riding.

It is no secret throughout the dominion that oil has meant much to Alberta. In this connection I should like to point out that while Battle River-Camrose cannot claim the same distinction as such places as the Pembina field, Redwater, Leduc, Golden Spike and so forth, yet we have experienced a lot of activity along these lines. There is hardly a small community in my riding which has not seen a drilling crew come into it seeking oil. Oil has been discovered from south of Camrose eastward toward the Lloydminster area.

We realize that nature has been good to us in this regard. The town of Lloydminster with the Husky and Excelsior refineries, the Sydney Roofing and other plants associated with the oil industry, are good examples of what oil has meant to our economy. I will listen with great interest, Mr. Speaker, to the debate on the proposed gas pipe line through northern Ontario. I only hope that the people of Canada will soon be able to enjoy the advantages of this type of fuel. The story about Alberta coal is not one of which anyone can be proud, however.

My predecessor, Robert Fair, was known throughout western Canada as one of the champions of western agriculture or perhaps I should say Canadian agriculture, because to him agriculture was a Canada-wide project. He was also known as a strong advocate for a fair deal to all veterans. He was a friend of the old age pensioner. In fact, in my mind Robert Fair left an enviable record behind him. He was a very close and dear friend of my wife and myself. I knew of his ambitions and his accomplishments. I am aware of the respect in which he was held, not only throughout his own constituency but amongst the members of all parties here and throughout Canada generally. I am fully conscious of the fact that I am following in the steps of a truly great statesman, and it is my intention to attempt at all times to maintain the standards set by Robert Fair. With God's help I shall attempt to do this.

Mr. Donald D. Carrick (Trinity): I should like, Mr. Speaker, to congratulate the hon. member for Timiskaming (Mrs. Shipley) upon the excellence of her speech in moving the address in reply to the speech from the throne. We knew that she would acquit herself well, and of course she has done that. We know that the choice of the hon. member is a tribute to her personally, and an indication of the high esteem in which she is held by this government.

I should like also to congratulate the hon. member for Bellechasse (Mr. Laflamme) upon the excellence of his address. It augurs well for his future as a parliamentarian.

I am going to speak on that portion of the throne speech which deals with the subject of natural gas in Canada and the trans-Canada pipe line. The government proposes to recommend to parliament the creation of a crown corporation to construct the northern Ontario section of an all-Canadian pipe line, and to approve an agreement

relating thereto made between the government and Trans-Canada Pipe Lines Limited. The federal government deserves the commendation of the people of Canada for the part it has taken in the development of natural gas and in the plan to bring Alberta gas to the people of eastern Canada.

It may be helpful to an understanding of the problems if I were to outline the situation at the present time. In Alberta, there are large reserves of gas available for export eastward. According to a recent estimate the reserves amount to 16 trillion cubic feet, and development is currently proving up over one trillion cubic feet of new gas each year. Everyone in Alberta is anxious to see the gas put to use. The owners want to get the revenue from the sale of gas and avoid the wastage involved in burning at the well heads. The establishment of a gathering system in Alberta will require capital expenditures which will stimulate industrial activity in Alberta. The Alberta government is anxious to see the gas put to use because the royalties will produce millions of dollars in income for its treasury, and the disposal of the gas will be a stimulus to continued exploration and development of further gas and oil deposits. For these and many other reasons, everyone in Alberta is anxious that Alberta gas be sold.

It is equally desirable that natural gas be made available to the people of Ontario and Quebec. The premier of Quebec, Mr. Duplessis, has stated that he is interested in having western gas made available to consumers in Quebec. The premier of Ontario, Mr. Frost, had a study of the whole situation made for his benefit, and he is anxious to have Alberta gas made available to the consumers of Ontario at the earliest possible date. Ontario is engaged in exploiting to the full its resources for the production of electricity and it is forecast that without the aid of natural gas there will be an acute shortage of fuel in Ontario by 1970. Of the approximate 1,250,000 people who have come to Canada since 1945, about 500,000 have settled in Ontario, and it is considered that if the enormous rate of expansion is to continue it is necessary to have natural gas as a supplementary fuel. In short, the people of Ontario and eastern Canada want to be able to buy Alberta natural gas.

Hon. members will recall that for a time there was a discussion whether it would be desirable to ship Alberta gas into the United States in the west and import Texas gas into Ontario and Quebec in the east, and not build an all-Canadian pipe line. That question has been settled, and all parties in this house are agreed that the construction of an all-Canadian pipe line is desirable to transport Alberta gas to eastern Canada.

The question has arisen whether the pipe line should be constructed under public or private ownership. This government decided that it would be preferable, if possible, to have the pipe line constructed by private enterprise.

Trans-Canada Pipe Lines Limited, a company incorporated by special act of this parliament, is grappling with the problem of construction of the pipe line from Princess, Alberta, to Montreal, Quebec. The present plan is to have the line run from Princess, Alberta, through Saskatchewan via Regina; through Manitoba via Winnipeg; through Ontario via Port Arthur and Fort William, Kapuskasing, North Bay to Toronto and from there to Montreal via Morrisburg. A lateral will be run from Winnipeg through Emerson to the Minneapolis market. Already there is an existing lateral from Toronto to Niagara Falls available to feed the market in the northwestern part of New York State. Branch lines will also be run from North Bay to Sudbury and from Morrisburg to Ottawa. The pipe line will be 34 inches in diameter from Princess to Winnipeg, 30 inches in diameter from Winnipeg to Toronto and 20 inches in diameter from Toronto to Montreal.

It is estimated that the cost of constructing the pipe line from Alberta to Quebec will be about $375,000,000. Of this amount about $118,000,000 will be involved in construction of the pipe line from the western boundary of Ontario to Kapuskasing. In endeavouring to arrange its financing the company found that it could not at this time, by its own efforts alone, finance the construction of the whole project.

The possibility of Trans-Canada Pipe Lines Limited doing its own financing was investigated for the Ontario government by Mr. J. G. Glassco of Clarkson, Gordon and Company in Toronto. In a report dated November 18, 1955, he says the figures show that without government assistance in any form the project would suffer losses for two or three years and would earn only small profits for several years thereafter. Apart from unsatisfactory initial earning power, the uncertainties of market development in areas new to natural gas and the possibility of heavy construction and operating costs in the rugged terrain of northern Ontario constitute additional difficulties in financing the project by conventional methods. He concluded that the company would not likely be able to attract enough support from private capital to finance the whole pipe line.

The governments of Canada and Ontario, which are both interested in seeing the pipe line completed at the very earliest possible date, have agreed, subject to approval of the appropriate legislative bodies, to construct the pipe line from the western border of Ontario to Kapuskasing at an estimated cost of $118,000,000. Trans-Canada Pipe Lines Limited will construct the rest of the pipe line, that is from Princess, Alberta to the western border of Ontario and from Kapuskasing to Montreal at an estimated cost of $257,000,000.

It was recognized that even with temporary government assistance it was not possible, on the basis of the present markets in eastern Canada, to construct and operate the pipe line on an economic basis. Arrangements were therefore made by Trans-Canada to sell to Tennessee Gas Transmission Company at Emerson, Manitoba for the Minneapolis and mid-west market 200 million cubic feet of gas daily for a period of 25 years. Arrangements were also made to sell the same company 100 million cubic feet of gas daily for a period of 25 years for export via Niagara Falls into northwestern New York state only if gas surplus to Canadian needs is available. It is expected that the revenues derived from these two sales with an expanding market in eastern Canada will enable the project to be operated on an economic basis.

The import now taking place of Texas natural gas by Consumers Gas Company from Buffalo in New York state to Toronto for consumption in the market in the Toronto area is an integral part of the plan of building up markets in Ontario. The gas is being brought into Toronto under an arrangement by which it can be discontinued when Alberta gas is available to satisfy the requirements of the Toronto market. The pipe line can at that time be used with a reverse flow to carry Alberta gas to northern New York state.

It is also an integral part of the plan of building up the markets in Ontario for Tennessee Gas Transmission Company to export from the United States into Ontario 90 million cubic feet daily of Texas gas until Alberta gas is available to replace it. This Texas gas will service the communities east of Toronto along the north shore of the St. Lawrence as far as Montreal.

It will be realized that the export of gas to the Minneapolis market and to northwestern New York state and the export of gas from the United States into Ontario by Tennessee Gas Transmission Company are an integral part of the financing of Trans-Canada Pipe Lines Limited. This export of gas cannot take place without the prior sanction of the federal power commission in the United States. Applications are now pending before the commission for such approval. Tennessee Gas Transmission Company is endeavouring to obtain it before April 30, 1956, the date on which Trans-Canada expects to be able to demonstrate to the government of Canada that its financing has been arranged.

This government proposes to carry out the construction of the pipe line from the western border of Ontario to Kapuskasing through the medium of a crown corporation which is to be created. The government has entered into an agreement with Trans-Canada Pipe Lines Limited to construct the pipe line and lease it to that company for a period of 25 years. The government of Ontario has agreed to pay up to one-third, but not to exceed $35,000,000, of the estimated $118,000,000 cost. That is a very brief factual statement of the situation existing at the present time.

Some criticism has been directed at the federal government for entering into this agreement with Trans-Canada Pipe Lines Limited. It might be profitable for us to look at this criticism for a moment in the light of the circumstances which existed when the agreement was made on November 21, 1955. It was in May, 1954, that Trans-Canada obtained permission from the Alberta petroleum and gas conservation board to export gas eastward. Since that time it has been engaged in arranging for the purchase of gas for a period of 25 years from its owners in Alberta. It has also been engaged in arranging for the sales I have already mentioned in the United States, and in procuring markets in Ontario and Quebec. The arrangements for purchases and sales had to be completed before the company could arrange to raise money to finance the construction of the pipe line to eastern Canada. The company finally came to the point where it was clear that it was not able, without some temporary assistance from the federal government, to finance the construction of the pipe line to eastern Canada.

The choice facing the federal government was a difficult one. Its paramount interest was to see the pipe line constructed so that Alberta gas could be brought to eastern Canada at the very earliest possible date. I have already outlined why it was in the interests of both Alberta and eastern Canada for this to take place. Trans-Canada had been interested in the project since 1949 and had spent in excess of $13,000,000 working on the project and exploring the possibility of constructing and financing the all-Canadian pipe line. The company had already contracted to purchase at an estimated cost of $30,000,000 the pipe necessary to lay the line from Princess, Alberta to Winnipeg, Manitoba. It was

a reasonable expectation that if the federal government gave some temporary assistance to the company, the pipe line could be completed and Alberta gas would be flowing into eastern Canada by 1958. If the federal government refused to give the company any temporary assistance, the possibility of Trans-Canada financing the pipe line was at an end.

What was the alternative to rendering temporary assistance to the company? Since Alberta needed to sell its gas and eastern Canada needed the gas for its fuel requirements, it was clear that the pipe line had to be built. If it could not be built by Trans-Canada Pipe Lines Limited it would have to be built under public ownership. Assuming an arrangement could be made among the federal government and the governments of Alberta, Saskatchewan, Manitoba, Ontario and Quebec, it was a reasonable expectation that it would take considerable time to complete the negotiations for such an agreement and that the line would not be completed until at least 1960.

The federal government was faced with the fundamental question whether this is the kind of economic activity in which it and the provincial governments should participate. In view of what has happened in the recent federal-provincial conferences, it could be under no illusions about the difficulty of reaching an agreement with the provinces. There was the very distinct possibility that no agreement could ever be reached by the five provinces concerned and the federal government on the construction of the pipe line. Taking all these factors into consideration, it was a reasonable conclusion for the federal government to reach that the better alternative was to render temporary assistance to Trans-Canada Pipe Lines to enable it to construct the pipe line.

Criticism has been expressed in some quarters to the federal government rendering any assistance at all to Trans-Canada Pipe Lines Limited. It is argued that if the pipe line is to be constructed by private enterprise, then private enterprise should be prepared to do it without any assistance from the government. I see no justification for this argument. There might be some justification for it if Trans-Canada were at liberty to construct the pipe line upon any route it desired. It could lay its pipe line along an economic route which would pay its own way, and no help would be required from the government.

This is not the situation. It is the federal government, supported by all parties in this house, that is requiring Trans-Canada Pipe Lines Limited to lay its pipe to eastern Canada over a stretch of territory in Ontario which is devoid of substantial customers. Since the federal government is requiring this action in the national interest, should it not assist in offsetting any economic disadvantage to the project required by the national interest?

There is nothing unique or unusual in the federal government assisting private enterprise in a project that is in the national interest. Federal government assistance to private enterprise in constructing a railroad to unite Canada was a cornerstone in the policy of Sir John A. Macdonald. It may well be that the construction of a trans-Canada pipe line in our day will rank in importance with the construction of a railroad in the generation of Sir John A. Macdonald.

Some criticism has been directed at the federal government on the ground that it assumes all the risk of the construction of the uneconomic part of the project and gets none of the profits. This is not an accurate statement of the agreement or summary of the situation. The agreement provides that the federal government through the crown corporation will construct the portion of the pipe line between the Manitoba-Ontario boundary and Kapuskasing, a distance of 675 miles, as an integrated part of the all-Canadian line. Upon completion of construction the crown corporation will lease this northern Ontario section to the pipe-line company for a maximum period of 25 years.

Trans-Canada undertakes to purchase the section as soon as the finances can be arranged. It is given an option to purchase for the 25-year period of the lease, and the terms of the purchase provide a strong incentive to exercise the option at an early date.

The provisions dealing with what the federal government is to receive are somewhat complicated. Rental payments are to be made monthly and annually. If the option to purchase is not exercised, the federal government will receive by way of rental payments a profit over and above expenses, interest costs and amortization in the event that gas demand increases as expected.

If the option to purchase is exercised the least the federal government will receive will be its full investment plus interest thereon at 3½ per cent per annum. Depending on the time the option is exercised the purchase price may be higher.

In view of the fact that Trans-Canada must show the federal government that the project has been financed before the federal government spends one cent on the construction of the northern Ontario section, the risk to the government is minimal. The federal government will get its money out of the project

with interest, and it is doubtful if this is the kind of undertaking in which the government should make any further profit.

There has been some criticism in the newspapers of the project on the ground that Trans-Canada in its contract with Tennessee Gas Transmission Company has sacrificed Canadian consumers to the interest of the Tennessee company.

The charge is that Trans-Canada had a contract with Northern Natural Gas Company to sell that company gas for distribution in the Minneapolis and midwest market, and that Trans-Canada cancelled that contract and made a less favourable one with the Tennessee company. It is charged that as a result of the Tennessee company paying a lower price for gas than the Northern Natural Gas Company had agreed to pay, the Canadian consumers will have to make up the difference and pay a higher price for gas. All of this came about, it is charged, because the Tennessee company had a financial interest in Trans-Canada which it improperly used to procure a contract favourable to itself at the expense of the Canadian consumers. It is also alleged that the Tennessee company used its influence to obtain a contract for the purchase of gas from Trans-Canada for sale through Niagara Falls, Ontario, to the markets of New York state at a price which is too low, with the result that the price to Canadian consumers will be too high.

These charges puzzled me, because the directors of Trans-Canada did not seem to me to be the type of men who would sacrifice the interests of the Canadian consumers. Of the 15 directors of Trans-Canada 11 are Canadians, so that Canadians control the board. Hon. members will recognize the names of many of the Canadian directors as men who are highly esteemed in the Canadian business community. They are the president, Mr. N. E. Tanner, a former minister of mines and minerals in the Alberta government; H. R. Milner of Edmonton; A. Deane Nesbitt of Montreal; J. K. McCausland of Toronto; Jules R. Timmins of Montreal; Hon. Edouard Asselin of Montreal; J. R. Tolmie of Ottawa; E. W. Bickle of Toronto; Hon. G. Peter Campbell of Toronto; G. P. Osler of Winnipeg and M. A. MacPherson of Regina.

I made inquiries about the facts from persons associated with the project and am advised that these charges are based upon a complete misunderstanding of the facts and are not true.

I have mentioned the charge that the Tennessee company improperly used its financial interest in Trans-Canada to procure contracts detrimental to the interests of Canadian consumers. I am told that at the time Trans-Canada made the contract with the Tennessee company, the Tennessee company had no financial interest whatsoever in Trans-Canada nor at that time had there been any discussion of the Tennessee company acquiring any interest. The contract with the Tennessee company was made on the 11th day of August, 1955. The Tennessee company did not begin negotiations to acquire any financial interest in Trans-Canada until the latter part of October, 1955, and the contract defining its interest was dated 1st November, 1955. Moreover, there was no relation between the contract of the 11th August, 1955 and the interest of the Tennessee company in Trans-Canada. The desire of the Tennessee company to acquire a financial interest in Trans-Canada arose in connection with a liability it assumed of $30,000,000 to enable Trans-Canada to obtain pipe for use in construction in 1956. Obviously since the Tennessee company had no financial interest in Trans-Canada at the time the contract was made, the charge that it used its interest improperly is without any foundation.

I am also told that everything considered, the contract with the Tennessee company is more favourable to Trans-Canada than the contract with Northern Natural Gas Company. Northern Natural Gas had agreed to purchase 100 million cubic feet daily of natural gas for sale in the Minneapolis market the first year, building up to 200 million cubic feet daily the third year with an option on an additional 100 million cubic feet daily beginning the fourth year. The Tennessee company agreed to purchase double that amount, namely 200 million cubic feet in the first year, with an option on an additional 200 million cubic feet. A prominent market consultant retained by Trans-Canada advised in effect that considering the volume and load factor the price to be received by Trans-Canada from the Tennessee company compared favourably with the price Trans-Canada was to receive from Northern Natural Gas Company.

There is another consideration that is important. The only gas Northern Natural Gas Company could purchase was for use in the Minneapolis market. But the Tennessee company contracted to purchase, if Alberta gas were available surplus to Canadian needs, 100 million cubic feet daily for sale in the markets of northwestern New York state. This additional volume of sales has an important bearing on the volume of gas to be shipped to eastern Canada, and consequently will ultimately have a beneficial effect on the eastern Canadian consumer in the rate he will pay for gas.

Point of Order

Mr. Knowles: Might I rise on a point of order? I wonder if Your Honour will consider a comment on the application, now that we have new rules in the house, of citation 293(o) of Beauchesne's second edition; also citation 314. Citation 293(o) prohibits a member from reading from a previously prepared speech. This rule has been sanctioned by usage both in England and Canada. Citation 314 reads:

> It is a rule in both houses of parliament that a member must address the house orally, and not read from a written, previously prepared speech, for the reason that "if the practice of reading speeches should prevail, members might read speeches that were written by other people, and the time of the house be taken up in considering the arguments of persons who were not deserving of their attention."

I hope the hon. member for Trinity will not take it personally that I raise this point of order in the midst of his speech. I think this is the first instance of the reading of a speech this session. Perhaps we might have a ruling.

Mr. Howe (Port Arthur): Mr. Speaker, if I may comment on this, I came in the house about 15 minutes before this hon. member started and another hon. member was reading his speech at that time, and I suggest that if the hon. member has been in the house as long as I have he has seen other speeches read. It is quite obvious that my hon. friend is not reading his speech; he is consulting his notes from time to time.

Mr. Knowles: I am quite prepared that the point I raised should be raised against me or any member of this group if any of us were to read his speech. But I think it is pretty obvious what the hon. member for Trinity (Mr. Carrick) is doing right now, and I ask for a ruling.

The Acting Speaker (Mr. Applewhaite): I am glad the hon. member for Winnipeg North Centre (Mr. Knowles) suggested when he first rose that I should comment rather than give a ruling. We have commented from this chair a great many times on the question of reading speeches, and what I am going to say now will be by way of comment and not, unless I have to, by way of a ruling.

I think officially or unofficially it has always been the habit in this house to allow far more latitude in the debate on the address than in debates on specific bills, items in the estimates and so on which are before the house or the committee. I remember being placed in the embarrassing position last session of being requested to make a ruling upon this subject, and I stated then what I am going to state now.

There is perhaps no better known or more often quoted rule of this house than the rule against the reading of speeches; neither is there any rule that I know of that is broken more consistently or that is more difficult for the Speaker of the moment to enforce. Perhaps it is not letting any cat out of the bag when I say that I understand that serious consideration is being given at the present time in certain quarters to the possibility of more strictly enforcing the rule against the reading of speeches. If that enforcement comes, I think it will come first in connection with specific matters and not in connection with debates of this kind.

May I say of the hon. member who has the floor that I do not know whether he was reading his speech. I think it is obvious to everyone that a speech as full of figures as the one the hon. member has been delivering would compel the speaker who is delivering it to keep his eyes closely fixed on the paper before him. Unless actually challenged on this point I must assume that the hon. member is giving the house the benefit of his own views. I do not think it is being seriously suggested that he is giving to the house views which someone else has handed him in order that he might publicize them here.

So if we comment on the point which was quite properly raised by the hon. member for Winnipeg North Centre, and which I am sure will be raised again, I can only say—this is a confession of weakness from the Chair at the moment—that I know of no way in which I can tell an hon. member he is reading his speech if he tells the house that he is following his notes fairly closely. May I say entirely by way of *obiter dictum* that sometimes I almost wish we had the right to say to a member, "In my opinion you are reading your speech." At the moment I understand that the usage of the house is to accept what is being said as the member's views.

I think perhaps the point raised by the hon. member for Winnipeg North Centre has now been made sufficiently to permit the hon. member for Trinity to carry on the rest of his discourse without reading word for word things which perhaps he may have committed in paragraph form to paper. I am certainly not going to stop the hon. member delivering a speech of that nature if he happens to be following facts and figures quite closely. The time taken during this discourse will not be deducted from the time allowed to the hon. member for Trinity, because I have taken up most of it myself.

Mr. Carrick: Mr. Speaker, I should like to assure hon. members of this house that if I have trespassed technically against a rule I have not trespassed against the spirit of that rule. The speech which I have presented to

the house was prepared only by myself and no one else. It is my own ideas that have gone into it. I worked on the subject a great deal, and probably I gave the hon. member who objected the impression that I was reading it. I was following my notes quite carefully. I knew the subject so well that it may have been that I gave that impression.

The Trans-Canada project has been criticized in the press on the ground that it is an American-sponsored project and the Canadian public will not be given the opportunity to obtain control of it. Figures have been bandied about to show that it is impossible for the Canadian public to acquire control on the basis of the issued common stock. I am told that these figures are no indication of the ultimate distribution of the common stock to be issued and of the ultimate control of the company.

The sponsors of the project have assured the Minister of Trade and Commerce (Mr. Howe) that the Canadian public will be given the opportunity of buying a controlling interest in the project, and the minister has on a number of occasions communicated that assurance to the public.

I am also advised that in the contract between Trans-Canada and the Tennessee company there is a provision requiring a majority of the common stock of Trans-Canada to be offered to the Canadian public. The same arrangement had been made with Canadian Delhi Petroleum Limited, which is controlled in the United States.

It should perhaps be mentioned that there is no assurance the Canadian public will seize the opportunity to obtain control of Trans-Canada. If it does not desire to put its money into this project it is not the responsibility of the federal government. As long as the Canadian public is given the opportunity to acquire control, that is all that can be asked of the federal government and of the promoters of the project.

Mr. Speaker, it must be apparent that the federal government has been grappling with a difficult problem. Its aim is to have the Trans-Canada pipe line constructed and in operation at the earliest possible date. It has done everything it can to achieve this objective, and it deserves the commendation of the Canadian people.

(Translation):

Mr. Speaker, before concluding my remarks, I would like to say a few words in French in order to show my affection and respect for my French-Canadian colleagues in this house as well as to pay tribute to the French-Canadian people as a whole.

I wish to thank all my French-Canadian friends for the encouragement which they extend to us English-speaking members in our efforts to learn French. I have always admired their great ability in speaking both French and English. Over the past few years I have had the privilege to make the acquaintance of a large number of French-Canadians who have made me understand the generosity and kindly friendliness which characterize the French-Canadian people. There are no difficulties between the various races in Canada which cannot be solved by working together, by mutual understanding and good will. By working together we shall make of our beloved Canada a country which offers the world a fine example of brotherhood and co-operation between all Canadians.

(Text):

Mr. G. K. Fraser (Peterborough): Mr. Speaker, first of all I should like to congratulate the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I was pleased to note that at this time a lady was given the honour of moving the address. I am not going to make any apology for taking up the time of the house today, because as you know I am generally a man of few words and I try to get those words over.

First of all I should like to suggest to the Minister of National Health and Welfare (Mr. Martin) that he consider, and consider carefully and most sympathetically, the request of the Canadian Council of the Blind and the Canadian National Institute for the Blind for an improvement in the legislation concerning our blind folk. This is something I believe is certainly needed.

These two organizations that are sponsoring this improved legislation are both working for one end, and that is to help the blind people of Canada. The Canadian Council of the Blind is an organization composed entirely of blind people. The Canadian National Institute for the Blind is a different organization, and is the one that publishes the braille books and talking books, and organizes many other aids for the blind, including the school at Brantford.

Now I am going to read from a little pamphlet, just to give you the meat of what these people want. I believe that every member of parliament, including the Prime Minister and every member of the cabinet, has received one of these pamphlets. This is a one-point program; they are not asking for a number of things as they have in the past, but just one specific thing that they feel is definitely needed for the blind people. This is what they are asking for:

> A specific allowance free from the means test by the government of Canada for all blind adults, to cover the costs of guiding and other essential expenses peculiar to blindness.

Because the handicap of blindness by its very nature imposes additional expenses, such as guidance and other essentials, the Canadian Council of the Blind and the Canadian National Institute for the Blind believe that the government of Canada should provide an allowance. It will defray at least a part of these expenses and encourage sightless citizens to lead an active normal life socially, recreationally, and, wherever possible, vocationally.

The legislative improvements may be made effective through amendments to the Blind Persons Act of Canada—1951.

I feel that I am closer to the blind person and the needs of the blind than perhaps any other member in the house, owing to the fact that I have in my own home a person who is blind as the result of an accident some 12 or more years ago, a person who is not receiving the blind allowance and has never asked for it. I know almost everything that blind persons can do, how many things they cannot do, what they can do for themselves and cannot do for themselves, and the many cases in which they need a sighted person to help them. I know the great need for companions who can help these people in everyday life.

These blind people, when they first become blind, think the world has caved in on them and that there is absolutely no hope. But after a few years they become normal citizens if given half a chance. Through the Canadian National Institute for the Blind these chances have been given to them in the form of education and help at home through their home teachers, and at the blind school in Brantford. Every one of these blind people—and we have a great number of them in Canada—is dependent, as I have said, on a sighted person. They have to have somebody who will read to them, somebody who will take them to the dentist, to the doctor, to public meetings and so on, because they want to know as well as you or I what is going on.

I have found that if these people are given guidance they are able to do as well as, if not in many cases better than, a sighted person. I know one person who can answer the telephone, take 15 or even 20 telephone numbers, and five or six hours later repeat those numbers with comments on them to the person for whom they are intended. They can type, knit, make leather work, work in factories and do machine work. But these people, in order to have a better outlook on life, need someone to guide them to different places, to ride with them when they travel in a car, bus or train, tell them what is going on outside and explain to them what might be of scenic interest, the roads, trees or mountains they are passing and so on; and these people will remember.

[Mr. Fraser (Peterborough).]

A few short weeks ago I had the pleasure of sitting next to Mrs. Sadie Bending, president of the Canadian Council of the Blind, when she made a speech which I would say would be hard to beat. All she had were braille notes, which she followed with her left hand, and she talked as fast as I am talking now, or even faster. She was so interesting that the people who heard her—many sighted people as well as blind—have asked that she come back to speak again. She is a very clever woman and has travelled all over Canada, the United States and Europe, and can describe the countries through which she has travelled as well as you or I who have our eyes. This is because her husband was with her and acted as her companion. As they went along the highways and byways he explained and described everything. Being blind and having nothing else to interfere with her thoughts, she remembered everything and was able to repeat the descriptions to the people at that meeting.

As I have said before, I hope consideration will be given to this request from the Canadian National Institute for the Blind and the Canadian Council of the Blind. It will cost a few dollars, not very much. I feel that if even one department of the government would cut out some of its waste and extravagance—every department has some, as the ministers well know—what would be saved in that one department alone would be more than sufficient to cover the expense of this improved legislation for which the blind are asking at the present time.

I see that the Secretary of State for External Affairs (Mr. Pearson) is in the house. He knows that we give millions and millions of dollars to foreign countries to help them to improve the health of their people and for other purposes. I think it is requesting very little to ask that the government use a few dollars to try to improve the health of our blind people here at home, because I feel quite sure that if the legislation they request were put into effect it would give them a better outlook on life and by so doing would certainly help improve their health and assist them in many other ways. At the present time the only way they can see is through their fingers, by reading braille, through the use of talking books or through the eyes of a person who is fortunate enough to have sight.

I do not think I would be a very good member, Mr. Speaker, if I did not stand on my feet at this time and protest against something that is proposed for the post office in Peterborough. From what we have read and have been told it is proposed by the Post Office Department to put television cameras in the Peterborough post office in order to spy on

the postal employees. There are many reasons why I and, I feel, every Canadian citizen, should protest against the use of this kind of device. These cameras or viewers or whatever you want to call them are nothing but another step by the government to try to take away the rights of Canadian workers. It is an attempt to take away their privacy.

The men in the postal department will have no privacy at all. They will not even be able to blow their noses without someone watching them. I would judge that a dictatorship country might use this kind of device. In fact it might be used in Russia, and I suppose if a man over there were caught doing something he was not supposed to do he would be shot at sunrise. Thank the Lord that does not happen here. Surely in Canada, which is supposed to be a free country, this kind of method is not needed to keep our citizens honest. I believe I am right in saying that instead of making the postal employees more honest it may very well have the opposite effect. I know if I were working in a post office and knew that one of these cameras was watching me I would resent it every minute of the day, and I do not think I would be able to do the work as well as I could if the machine were not there.

I know personally most of the postal employees in Peterborough. They are an honest, hard working group of men and have done an excellent job. At Christmastime the men in the Peterborough post office, with the space they have available, were able to handle millions and millions of pieces of mail. I do not think they would have been able to do so if they had had these machines spying on them at that time. I wonder why they were picked to be spied on. I suppose after the cameras are installed in that post office they will be installed in the post offices in Toronto, Ottawa, Hamilton and other places throughout the country.

I wonder why the Post Office Department was picked and not the customs department or the taxation department. Why not include members of parliament? Why not put a camera on us all the time?

Mr. Pearson: We have no money.

Mr. Fraser (Peterborough): I think we would be the first to object.

Mr. Campney: We have no money.

Mr. Fraser (Peterborough): No money?

Mr. Campney: Members of parliament have no money.

Mr. Fraser (Peterborough): Most members of parliament are like goldfish in a goldfish bowl. They never have any privacy, but it would be just that much worse with television cameras on them all the time. I wonder how the Postmaster General (Mr. Lapointe) would feel if he had a television camera on him at his desk in his office, at his desk here in the House of Commons, when he is combing his curly locks or when he goes to wash. I do not think he would like it.

This peekaboo idea of the Post Office Department is not needed in Canada and, as I said before, only a dictatorship government would think of such a thing. I ask the Postmaster General if he would like to have a camera focused on him all the time. How would he like to have a camera on him when he went to the washroom, especially if it was a washroom like they have in the post office in Peterborough where there are no doors at all? One will not be able to go to the washroom to clean up without a television camera on him. The next thing they do will be to add a loudspeaker to these television cameras so that they can say, "Peekaboo, I spy you." Yes, one will not even be able to go to the toilet without having a television camera spying on him. To put such machines into a building where our workers are supposed to have rights is something that only a country like Russia would think of.

I understand that some 16 of these television cameras are to be installed in the Peterborough post office. Some of them will be dummies. In the past the men have never objected very much to the use of peepholes in post offices through which inspectors can watch and check on a man whom they suspect of not being honest, but they certainly do object to television cameras.

Personally I think it is a waste of the taxpayers' money. It is going to cost over $50,000 to instal them, and will cause a great deal of hard feeling. The sooner the idea is thrown out by the Post Office Department the better for this country. This is certainly the last straw. I hope all the postal unions across the country will object and send their protests not only to the Postmaster General but to the Prime Minister (Mr. St. Laurent) himself. I hope the citizens of Canada generally will do likewise. I have had hundreds of letters and telephone calls about this matter. I have not been able to walk more than a block in the city of Peterborough without two or three people stopping me and talking to me about it.

I mentioned a few minutes ago that if the waste and extravagance of even one department of the government were done away with there would be enough money saved to provide the new legislation that the blind are requesting. Let me give a couple of examples of extravagance. An article appeared

in the press a couple of weeks ago headed, "Queer Work for Queen's Printer", which reads in part as follows:

> . . . the Queen's Printer at Ottawa has issued a special illustrated folder with order blank, covering a selected list of 26 publications. Prices range from 15 cents for a simple pamphlet to $8 for a much more elaborate work.
>
> Doubtless some of this material properly comes from government printing presses but much of it, one would imagine, could well be left to private publishing which costs the taxpayer nothing.
>
> Why, for example, should it be necessary for the Queen's Printer to put out expensive books dealing with "Radio Fundamentals" or the "Climate of Montreal" or "Logging in Canada"? Even more inexplicable is the publication of three handbooks on how to play and coach hockey.

I know that most of the members are interested in sports, but why should the government go in for handbooks of this kind? Why not allow the printing houses throughout Canada to do that work? These printing houses are paying back to this government 50 per cent or more of their income in taxes. They are helping to pay the cost of government and everything we have here. Now their business is being stifled by these books the government is getting out, because it is work that is being taken from these publishing houses.

One asks, where is this government going to stop? Surely there is a limit to this extravagant spending. I just wonder how long the taxpayers will stand it.

I have another example of waste. When I returned to Ottawa for the opening of parliament I discovered, as most of the members did, that our offices had been equipped with new fluorescent lighting. I walked into my office and turned the switch. Then I thought one of these post office T.V. cameras, along with kleig lights, had been turned on. I was almost blinded by the light. I looked at the ceiling and saw that the old light which had been in my office had been removed. It was in very good condition last year. The fluorescent lighting installed consisted of eight 40-watt fluorescent tubes. I believe that if any electrical engineer had been installing these lights he would have said that four tubes would have been plenty, perhaps even two. I feel sure that many thousands of dollars could have been saved on this lighting installation, and that the money saved would have helped to pay for this proposed new blind legislation.

On more than one occasion I have said that this government is a wait and see government. They never seem to make a move unless it is right before an election or unless they think it is about time they moved into the particular field concerned to get a vote. I was not very much surprised, therefore, to learn through the speech from the throne that the government intended to bring forward legislation to provide equal pay for women in those industries under the jurisdiction of the federal government. This matter has been brought up before. The hon. member for Hamilton West (Mrs. Fairclough) has introduced similar legislation, only on a broader basis, for over three years. Of course it generally takes this government about three years to wake up. I believe they are now waking up to the fact that if they do not act soon they are going to lose a lot of the ladies' votes in this country. It seems that all this government thinks of is where they can get another vote.

There is a strong feeling in this country, and I have found it not only in my own city but in many other places I have visited, that the Criminal Code is not strict enough in regard to the purchase and use of firearms. It has been brought to my attention that during the past year there have been a number of cases before the courts in which people only in this country a few months or a year at the most have used firearms for criminal purposes. I feel, and I know many others feel, that more teeth should be put in our Criminal Code to cover the sale and use of these firearms.

I have in my hand here, Mr. Speaker, a family allowance cheque in the amount of $33. It is dated October, 1953. The cheque was cashed in a grocery store in Peterborough on that date. As hon. members know, hundreds of these family allowance cheques are cashed every month in stores across Canada. On November 11, 1955, when this grocer went to the bank to pick up his cancelled cheques, he found a slip debiting his account with the $33 for the cheque and the word "forgery" opposite it.

My purpose in bringing this matter forward is to protest against the government taking so long to draw the forgery to the attention of the storekeeper. Evidently the forgery was in regard to the endorsation on the back of the cheque. The finance department has taken over two years to bring it to the attention of the storekeeper. In industry a cheque such as that would have been found within a couple of months at the most. This is a case where a government cheque bounced, but like this Liberal government it was rather slow in bouncing. It is said that the mills of the gods grind slowly, but surely the finance department ought to grind a little faster than that. These cheques are made out on a machine, and certainly when they were run through the trouble could have been found. Surely the person who did not get the cheque must have notified the welfare department long before the two years were up.

I do not believe it is fair in such a case to make the storekeeper the goat. The storekeepers across this country are acting as bankers to the government when they cash these cheques. Many of these women cannot get around to the banks because their husbands are working and the banks are closed on Saturday.

If events such as these were reported within two months the storekeepers and the other fellows would have a chance to check and perhaps get the persons who cashed the cheques. When it takes two years he has absolutely no chance. I do hope that the government will reimburse this particular storekeeper and other storekeepers who, after two years, have been notified that a forged cheque has been cashed by them.

Mr. Irvin Studer (Swift Current-Maple Creek): Mr. Speaker, the ten days that are allotted to the throne speech debate are ten of the most valuable days to our country. During that period of time the members of parliament who are assembled here review the past, and as a result of their deliberations they anticipate the future. Therefore that period of time is of inestimable value to the people of Canada, because without them how can our country contribute to the stability, to the strength and prosperity and security of its people? If we do not know the conditions throughout the more than 5,000 miles that stretch from Newfoundland to Victoria, how can we formulate solutions that will be in the interests of this country of ours?

I think members of parliament are accepting their duty when they participate in this throne speech debate. Everyone throughout the Dominion of Canada appreciates their efforts. We have the greatest country in the world. There is no question of that whatsoever. However, we and the government are certainly not satisfied with the best. Nothing short of perfection plus will prevent us from using the utmost effort within our party to strengthen our country and provide policies that will be in the interests of all of our people.

We are not a mediocre people in Canada. We do not tolerate mediocre governments in Canada. During the last 20 years we have had a government, as everyone will agree, that has built this country up to be the best country in the whole world. If anyone doubts that let him name some other country in which he would rather live. If this is the best country in the world, how did it get that way? It got that way through the efforts of this government and through the efforts of the people who assisted the government and through the efforts of all the members of parliament, even the opposition. In spite of themselves they make a contribution to the welfare of Canada.

As I say, we have the interests of all the people at heart, regardless of how they are represented, whether they are represented by members of the government or by members of the opposition. We are extraordinary people in Canada, and we are going to be extraordinary-plus people. We are a young and virile country with the same type of government, young and virile; therefore we cannot help but be greater and still greater in the future.

Some mention was made of congratulations to the mover and the seconder, and suggestions were made that perhaps we could dispense with them. We cannot dispense with them on such an historic occasion as this when, for the first time in the history of Canada, we had a woman move the address in reply to the speech from the throne. It is an historic occasion. It is just indicative of what is going to transpire in this Elizabethan age. Throughout all the eras, every country that has had the privilege of having a queen has prospered and gone forward, but not at the expense of some other country, and in its forward movement has taken along with it other countries that were willing to take the same step of having progressive queens. Therefore we are proud of our lady member. We think it is a prelude to some greater honours for her in the future. I am sure those occasions will arise.

We also have the hon. member for Bellechasse (Mr. Laflamme), who represents one of the great races of Canada. Many of them live in my constituency at Lafleche, Gravelbourg, Meyronne, Ponteix, Val Marie; Dollard, Lac Pelletier, and at numerous other places in western Canada. The ancestors of many of them came from Bellechasse, Dorchester, Beauce, and other French counties in Quebec. They are proud of the hon. member for Bellechasse, because he has a great future before him.

We are meeting here today in a body to discuss the future of Canada. I am pleased to present the situation in my own constituency, if it can be presented within the period of time allotted to me, which we all know is impossible. If I could describe what is in evidence in that constituency in a few short words, I would tell you that we have had our usual, normal crop. We have had our usual exhibitors. Again a lady from my constituency—in fact, almost a neighbour because anyone living within 30 miles of you out west is your neighbour—won the national honey championship, and I have some of her honey with me. If you are nice to me I will let you

taste some of Mrs. J. W. Kent's honey. Again at the Chicago international hay and grain show in Chicago my constituents won honours in grain, and at the national show in Toronto Mr. Robins of Shaunavon won prizes this year as he has other years.

We have all the other good things. I told the house last year about many of our products. Unfortunately not enough people are taking advantage of the good things to eat that this country produces. If more of them did so perhaps some of our surpluses would, if not disappear, at least diminish. I am going to try to encourage you today to consume some of the abundance that this country produces.

We are not living in an age of scarcity; we are living in an age of Liberal abundance, and it should be available to all of the people of the world. It is our ambition to make that abundance available to all the people so there will be no underfed or undernourished people anywhere in the world. Certainly we also have difficulties. If there is one hope that any hon. member might have it would be that he could say in this House of Commons, "All is well in my constituency; all is well in Canada; all is well in all the world."

I think that is the ambition of every member of parliament, but we have not attained that yet. Why? Canada is more dependent upon conditions of world trade than any other nation. Four out of every five bushels of grain that are produced in Canada have to be exported; whereas the United States consumes four out of every five bushels that it produces.

We have our difficulties. We have control over our own economy, but we cannot control the economies of other countries of the world. Some of our socialist opposition friends think we can, but they have never been able to do it. No matter how good things are in this country, the Liberal government always makes them better. No matter how bad things are, the opposition can always make them worse. We in Canada are determined to make them better. We have no control over floods and hurricanes and surpluses, but at least the surpluses are gifts. Therefore we should avail ourselves of the good things that we have.

In spite of anything that has been said in this House of Commons regarding surpluses, I do not know of anything that is nicer to come home to in southwestern Saskatchewan than a nice wife and nice granary full of wheat and a stable full of cattle and all the things that can be produced on the farm. There is nothing nicer to come home to, and there is nothing sadder to come home to than an empty house, empty barns and empty granaries, and we have had many of them in southwestern Saskatchewan.

We have wheat problems, certainly; we have an abundance of them. One of them is the problem of the surplus that has been mentioned. If we are to have a problem I want a problem of abundance, because we had the problem of scarcity for many years during the 1930's in too many areas. What position are we in today that so many complain about? We are in the position of having one crop ahead. Who can complain about that?

I have been farming since 1916, working on a farm in southwestern Saskatchewan for 40 years. During the years of crop failure in southwestern Saskatchewan, when we used the P.F.A.A., my ambition was to get in the position where I would have one year's crop ahead. That was my ambition. Now we have one year's crop ahead, but unfortunately we have not one year's financing ahead. That is the problem we are going to try to solve, to provide one year's financing ahead. If any socialist is making any comment I do not think he should make it, because if we had a socialist system he would have no problem at all; he would not be here. We would have problems with reference to scarcities because the socialist system is a system of scarcity, a system of control throughout the world, a system of rationing throughout the world. There is no socialist who will deny it, so let us take the situation as we have it and provide surpluses and not scarcities. We do not want scarcity and hunger in the midst of plenty, nor poverty in the midst of scarcity.

What is the difference? In other words, we can supply a solution if we have abundance but the solution to scarcity has never been found. That has been the problem in every socialist country in the world. We are taking measures to alleviate the situation on the farms. Farmers are provided with bank loans, not available to all the farmers but available to many of them.

This is not, however, only a national problem; it is partly a provincial problem. There is no government I know of that is more subject to it or more vitally interested in it than the government of Saskatchewan. Now we have banks which have charters from the federal government. Almost every town has a credit union, and they receive their charters from the provincial governments. If the socialist provincial government does not like this situation in regard to banks, why do they not get off their seats? They are the best sitters in the world. The only exercise they

take is mental exercise in jumping to conclusions. If they got off their seats and did something about such situations, they would see what they could do to provide guarantees to the credit unions. Let the Saskatchewan government do something about it themselves in that province and provide the guarantee to the credit unions, interest free.

That is what they advocate; and why should it not be interest free, interest on our own money? We do not have to go to the Bank of Canada. My credit is not as good as a socialist's credit. I have not been able to get a loan from the credit unions at less than 6 per cent. If there is any money that is interest free, it should come from them. There is hope for the people of Saskatchewan. I understand the socialists are going to pool all their wealth, including the socialist members of this House of Commons, and form a socialist co-operative and lend money to the farmers of Saskatchewan, interest free. Good luck to them.

What has caused the present situation? We have had five crops in three years, and normally we have three crops in five years. We have had the competition of other countries, including the United States. We were not aware of this fact until some five socialists went to Washington, I believe some time last February. When the United States government saw the gullibility of the socialist members who went to Washington on their own they said, "This is it, boys; we will get rid of our wheat; no one will say a word." That is when the competition became heavy.

If the Minister of Trade and Commerce (Mr. Howe) is wondering how much was lost to the farmers of Canada in the last three years by the speeches of the socialists in this country, I would estimate the amount at $1 million a speech; not that they are that valuable. Take the farm income for the year 1953 and figure it out in proportion to the number of speeches. It is as simple as two and two are four. The socialists in Saskatchewan say to send socialists to Ottawa. Between 1949 and 1953 we had the best conditions in Canada we have ever had. The socialists went out in the 1953 election campaign and said "Send the socialists to Ottawa; send fighters to Ottawa who will fight for you".

Well, the socialists had better start fighting. You do not fight with words only; you fight with facts. It seems there are too many people in this House of Commons among the socialists who have no alternative to offer except words. We have the same situation out in Saskatchewan. We have a tax and talk party and a talk and tax government. They are the pseudo-socialists living on the capitalists. They are wine, dine and dance socialists, and their slogan is to eat, drink, and be merry for tomorrow the capitalist will die.

What are we trying to do in Canada? What are the farmers asking for? They are asking that we hold the price line. That is the first demand of the farmer in western Canada. That is what the wheat board is there for. You could get rid of the wheat at 80 cents a bushel, but I would rather get rid of one bushel at $1.40 and have one left in my granary. The farmer says to hold the price line. That is what the government are trying to do. They are providing some assistance—it would be hopeless to ask the provincial government to do that—so the wheat board will not become involved. They are trying to provide some assistance that will operate apart from the wheat board so that if something should happen like what happened in 1929 with the pools, the wheat board will not be lost.

There are not enough votes in western Canada to hold the wheat board if the rest of the people of Canada decide that we should have it no longer. So we have provided the means through the banks, which is insufficient; I know it does not cover everyone. The provincial governments can come to the rescue. If they do not wish to do that, they can step right out and buy 50 million bushels from the wheat board tomorrow. If the wheat board act does not provide for this we will pass the necessary legislation. It is like the government of British Columbia making a barter deal with the British government. Three years ago they made a deal with Britain for their salmon. If one provincial government can do it, another provincial government can do it, because they buy over $50 million worth of power corporation equipment, much of it from Britain. They buy their electrical equipment and Britain has it, and they buy many other things. What is to stop them from doing it in other provinces of western Canada. Get busy socialists; wake up; smarten up. Why sit idly by and talk and hope thereby you will be able to win yourselves another election? I do not know how long it is going to last, but the socialists had only one solution left that they thought would stand up and hold water, and that was to barter.

You cannot accept sterling for your wheat. Mr. Gordon Bowen, British trade commissioner, came out and told the farmers this fall that acceptance of sterling would not sell an additional bushel of wheat, as the Minister of Trade and Commerce told you this morning. That is something the Liberals

have been saying for a long time. It is wise to accept advice from the Liberals.

We had another meeting out in western Canada, as Charles Woodsworth has reported in the *Western Producer* of December 8, 1955. He told them exactly what the Liberals have been telling them for the last few years, that the wheat problem is a combination of economics and he did not believe price cutting was the answer. We do not believe it either. He did not believe in a policy or deals involving the acceptance of soft currencies between countries, as was pointed out this morning. He also pointed out that barter deals were just as dangerous. He said that Japan would take more Canadian wheat if she could send us textiles, and that would hurt the textile industry here.

We have a whole economy to take care of, not an individual one, so we are endeavouring to help the farmer to the extent the government can within its capacity, so the socialists have no argument whatever left. They have not a leg to stand on; but as I understand it that does not bother the socialists very much, as long as they have a seat to sit on.

However, they do have one argument left, and that is to feed all the hungry people of the world. That is what we all want to do, feed the hungry people of the world. They tell us to give it to India, give it to China, give it to Africa, give it to anyone who will take it.

I am ready to feed everybody, as there is nothing that hurts me more than to know that some people are hungry. But do you know that there are over 50 million monkeys in India, and that each one of them eats as much in a day as does a human being. In many cases they are considered to be sacred. I certainly have no intention of feeding the monkeys of India. All the monkeys are not in India; there are some monkeys in Saskatchewan. If there are no monkeys there, certainly there is some monkey business going on. If there is no monkey business out there certainly there is Tommy-foolery, and at last tommyrot is now setting in there. They will have to make more exertions out there if they are going to keep themselves in power.

We are making a big mistake here in Canada in not providing better storage facilities for our wheat. We should be making preparation in the good years for the bad years when we may have a shortage of wheat. We should provide permanent storage space as Joseph did in biblical days, when he prepared for the seven lean years during the seven fat years. The hon. member for Trinity-Conception (Mr. Stick) said something about the Bible, the good book, this morning, and everything in it is just as true today as it was in those days. We should be providing permanent storage facilities for 5 million bushels for the lean years, and they could be provided right there at Swift Current or Maple Creek. That would be the safest insurance in which the government could invest.

We should provide every facility that would better the welfare of the farmers. We should do everything we can to guarantee the future of our farmers. We should have permanent policies, not something that is here today but will pass out of the picture tomorrow, as is advocated by many members of the opposition. The Liberals are famous for their policies. When they establish a policy it is permanent for the interest and welfare of the farmers of the country.

Who has a better right to these things? One thing I do not like is to hear people here in parliament or elsewhere say that the farmers are receiving too much consideration, that if you give them more they will be off to California. There is not one-half of one-half of one-half of one-half of 1 per cent of the farmers who go to California. I have been living in southwestern Saskatchewan for 40 years, and the only connection I have had with California is to eat a little lettuce or celery or drink some orange juice that may have been imported from there. If there are any people who should go to California, who have a greater right than the farmers who spend most of their lives producing food in the interests of the people, so they may have cheap food?

Who is it works so hard and who claims no benefits over and above what he should have for his own interest? Fourteen hours a day means nothing to a farmer, 100 hours a week means nothing to a farmer because he is willing to contribute that in the interests of the nation. He is producing in the national interest, for the benefit of all people, and what he produces is for the benefit of other industries. Those who work in other vocations can go to California, but the minute the farmer does he is blamed for doing it. I for one am sick and tired of hearing about that.

Another thing I want to mention is this. When the farmers receive $20 or $30 million in payments from the wheat board, which is their own organization, we see headlines in all the papers. Why should those headlines appear when it is the farmers' own money? On that same day over $40 million will be paid out to labour in this country—I wish it were $80 million—but we see no headlines in the paper when $40 million has been paid

to labour that day. But when—perhaps once or twice a year the farmers' own organization does make payments of $20 million or $30 million we see headlines all across the country. That leaves the impression that Canada is contributing that money.

Whatever may be contributed to the farmers in the future will come back to you tenfold with the blessings of the farmers of western Canada. They do not keep anything; they spend it all, and it comes back to you to keep the wheels going around in the industry of Canada. Do not begrudge any assistance that is given, because we will not call for assistance unless there is a deficiency in farm income and the figures show it. Have you ever seen a westerner stand up in this House of Commons and not vote to assist you even if it is a subsidy to the gold mines?

I was pleased to hear the hon. member for Timiskaming refer to gold, because they use the gold subsidy for political purposes out in wester Canada. Our socialist friends keep telling the people that the federal government is paying to have the gold taken out of one spot to be buried in another down at Fort Knox, Kentucky, instead of the facts relating to gold subsidies. Don't think for one moment that that does not hurt us in western Canada.

Farming should be brought up to equality with other industries. We should not want it otherwise. Perhaps the same could be said for our fishermen. We are all one great co-operative organization here in Canada, and we should be ready to help carry one another's burdens. All we wish to know is what the burden is and to what extent help is required. All governments should be co-operating one with the other in an effort to bring the people of Canada to the highest levels that any people could visualize. Everyone should be contributing to the welfare of Canada, because you cannot have one part of the economic body sick and hope to have a well body.

There is another thing I should like to mention at this time. People should be encouraged to eat our food. If there is one thing which I think is detrimental to Canada it is these food faddists, these people who go around telling us that we should not eat butter, we should not eat meat, we should not eat wheat or we will get too fat. They tell us if we do these things we will have a bulging waistline when we get to be 50 years of age. They tell us not to eat these things that have been acceptable since the beginning of time and have helped to build all nations. They tell us not to eat bread and meat and butter and all the other things we produce, to eat some synthetic food instead.

The hon. member for Brantford (Mr. (Brown) referred to the deterioration in the health of our youth, and I contend that you cannot raise a generation by having them get up in the morning and eat a piece of lettuce and then tear off to school. We should not be eating all these things we import from other countries when we have the food right here in Canada. Many people get up and take a sip of orange juice in the morning, a leaf of lettuce at lunch and some celery at dinner time. As I say, you cannot raise a generation of people on that sort of food.

My grandparents on both sides all lived to be over 90 years of age, and they did not live on rabbit food. They ate pork, potatoes, beef and pancakes all at the same meal, even for breakfast. They were not afraid that they were going to get fat because they had a good meal; they were not afraid they were going to die tomorrow. There are more thin people dying in Canada these days than fat people, if I read the statistics right. I like fat people, as they are the happiest. If a fat person laughs he does not laugh just in one place; he laughs all over. You never hear of divorces in fat families; they are too busy providing the things to eat to think of divorce. A man comes home and meets his fat—I should not say that—his pleasingly plump wife, and he has no time for a divorce. He puts his arms around her, or tries to, and everything is fine.

But what happens to these emaciated families when the husband comes home from work? He wants to know what is cooking for supper. She says, "You are getting too fat. I have a little lettuce here for supper". When that happens, that is the beginning of divorce.

I suggest that we put out of business all those factories producing synthetic foods, and that we stop buying in Canada imported products that are described as containing vitamins A, B, C and all the way to Z. If they have to have vitamins added to make them consumable, there must be something wrong with the initial products. We should eat the things we grow here in Canada. If that does not take up the surplus, it will at least take up part of it, and it will ensure that we have a nation of healthy and strong people to which all other nations of the world will look with admiration and envy. We want you to eat bread, beef, butter, potatoes and fish—especially fish, because we need brain food, as an hon. member intimated this morning. We can use much of that brain food in Canada.

What are the remedies? Sell the wheat. Hold the price line and sell the wheat. We have the best men in Canada selling that wheat; or, if we have not, we had better get them. We have men in Canada who have been selling wheat for 35 years. We took

them over from the wheat pools, people with experience dedicating their lives to the selling of wheat. But that is not good enough for the socialist government of Saskatchewan. They say, "Eliminate those experienced men who are no good; let us sell the wheat on theory." If the leader of the socialists or the premier of Saskatchewan or the hon. member for Assiniboia (Mr. Argue) or anybody else thinks he can sell wheat, let us get rid of the wheat board and put them in. If we did that, we would find that tomorrow every farm in western Canada would be for sale. We shall have to develop new policies for wheat, but what the farmer wants is to sell the wheat. He wants the money from the sale of the wheat.

Some socialist members say they have been demanding advances on wheat sales since 1942. Would any farmer be one cent better off if they had been doing that since 1942? No. Let us look at it as it really is. You cannot spend the money twice. I do not want a lien on the future purchases of the farmers of Canada. I want the provincial and federal governments to provide assistance to the western farmer, so that he is not only one crop ahead but one year's financing ahead. That is what the governments as a whole should do, particularly the socialist government of Saskatchewan.

When a socialist provincial government is incapable of acting itself, the only thing left for it to do is to appeal to the federal government. When a school board becomes incompetent, it is replaced by an administrator. In Saskatchewan when a municipal council is considered incompetent and the government has to supply the revenue, it provides an administrator. Nobody in Canada likes administrators, but if there were a socialist government in the Dominion of Canada and a province like Saskatchewan was concentrating all its efforts on making appeals to the federal government for its financing, I can tell you that the socialist administration would place an administrator in the province of Saskatchewan instead of a government.

So I would advise the government out there to get busy and substantiate itself in the eyes of the people. There is only a certain period of time in which you can make your living by talking; there comes a time when you must act. So we should provide suitable new policies, develop new uses for wheat and pay for its storage. All this would be in the interests of the whole economy in Canada.

Some farmers are asking for retroactive storage payments, and I think they are right in doing so. To indicate to you what a farmer receives for No. 4 wheat, I receive $1.07½ in my elevator. We farmers have been in a price squeeze. In Saskatchewan, over and above that, we have the tax squeeze. That is the position in which we find ourselves.

The following is a report on the farmer's share of money paid by consumers for food:

Out of every dollar spent for bread, the wheat producer gets 15 cents.

Out of every dollar spent for beef, the producer gets 62·8 cents.

Out of every dollar spent for eggs, the producer gets 76·8 cents.

Out of every dollar spent for fluid milk, the producer gets 51·7 cents.

Out of every dollar spent for creamery butter, the producer gets 72·3 cents.

Out of every dollar spent for cheese, the producer gets 34·5 cents.

Out of every dollar spent for canned tomatoes, the producer gets 16·9 cents.

Out of every dollar spent for potatoes, the producer gets 51·7 cents.

This leaves us in the position that out of every dollar spent for bread, the producer gets less than half of the amount received by the next closest producer. That is one of the reasons for the situation in Saskatchewan. Another is that the percentage of farm cash income from all livestock and poultry products in 1954 in Saskatchewan was 26·1 per cent. All the other provinces were higher: 67·7, 70·8, 58·8, 77·1, 73·3, 48·1, 53·0, 66·1. This shows that our economy is based on wheat. If we adopt something else we are in competition with the rest of the farmers of Canada.

As I have only nine minutes left I shall try to draw to a close. Here we have a situation in which all the governments should try to co-operate with one another in endeavouring to alleviate the situation in Saskatchewan and throughout the whole Dominion of Canada. If there are more capable men in Canada, certainly we want them. The government is looking for them and hoping they will offer themselves, even at a personal sacrifice, in the interests of the people of Canada, so that we may all prosper together and so there will not be the feeling in any one section of Canada that one particular industry is profiting at the expense of another.

We have had the greatest government for formulating unity that Canada has ever had, but we still have a great advancement to make. We have to overcome the untruths that are told to the people in western Canada in order to gain political advantage, untruths that are told in the interests of some individual who hopes he might possibly be elected on what he tells the people. What we need is some honesty in politics and men who have the interests of the Canadian people at

heart, so we can progress as a country should progress. There should be such a thing as honour, even in politics.

Sometimes we find that is not the case. If any member of the opposition, including the socialists, or Karl Marx junior—the hon. member for Assiniboia—has any solution other than what we have heard so far, we shall be glad to hear it. They would be making a contribution to the welfare of Canada, and we should be glad to listen to them. I think at the bottom of their hearts even the socialists know that they would have to adopt an entirely different attitude from the one they have adopted in order to make this Canada prosperous and the great country it is destined to be.

There is only one danger facing this country. It is not that it has had a Liberal government for the past 20 years, because it has proven that it can take the people of Canada to the greatest heights of any country in the world. The only danger is that the people of Canada may listen to what the opposition say. I am sure that, as time progresses, even we Liberals who may be outnumbered at the moment in Saskatchewan will bring the truth to all the people of that province.

We have a great country, the greatest in the world, a country that one might say has set the pace for other countries. All is not lost in Canada. As long as we have stability in the government and a government that has the interests of the people at heart, we shall have a great future before us. There is no room in this country for socialist agnostics, or agnostics of any kind, but there is room for men who have faith—faith in the people and faith in a government that can carry the people to new heights. No prediction of the socialists has ever come true, much to their dismay and discomfiture. It has been in the interests of all the people of Canada that none of their predictions have ever come true.

All the people of the world, including Canadians, are proud of Canada. I am proud to be a Canadian and, although I do not like to take words from any other source, I have here a little United States schoolgirl's description of her country which I have applied to Canada. What this little schoolgirl wrote about her country appeared in an editorial in "Model Publications" of Moose Jaw, Saskatchewan, and I have transposed and rearranged it to meet Canadian conditions. This is what she said, paraphrased:

I am a Canadian. Listen to my words, socialist, fascist, communist. Listen well, for my country is a strong country and my message is a strong message. I am a Canadian and I speak for democracy. My ancestors and relatives have left their blood on the cliffs at Louisbourg and the plains of Abraham. On the highway between Chambly and Longueuil and in the valley of the Richelieu, on the waters of the river Marne and in the shadows of the Argonne forest, on the beachheads of Dunkirk, Dieppe, Salerno and Normandy.

A hundred thousand and more of my countrymen have died for freedom. My country is their eternal monument. They live on in the laughter of a small boy as he watches a circus clown's antics. They live on in the sweet, delicious coldness of the first bite of peppermint ice cream on the first of July. They live on in the tenseness of a baseball crowd as the umpire calls "batter up", and in the referee's signal on the football field and hockey arena. They live on in the high school band's rendition of *O Canada* on Remembrance day and in the inspiring music from the peace tower.

They live on in the clear, sharp ring of a school bell on a fall morning. They live on in the triumph of a six year old as he reads aloud for the first time. They live on in the eyes of an Ontario farmer surveying his acres of corn and potatoes and pasture. They live on in the brilliant gold of hundreds of acres of wheat stretching across the plains of Saskatchewan. They live on in the milling cattle in the stockyards of St. Boniface and Toronto.

Mr. Speaker: Order. The hon. member will not have enough time to conclude his quotation. This is a debate on which a time limit has been placed. The hon. member for Kindersley.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I cannot think of any amendment introduced on the floor of the house that has had more unanimous support from the farmers of western Canada than the amendment to the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of the C.C.F. party. I am particularly pleased to take part in the debate at this time after hearing the official government pronouncement by the Minister of Trade and Commerce, and the pronouncements we have just been subjected to from that quarter of the house which I am convinced is quite accurately known as the rump.

I am pleased to take part in the debate because I represent a constituency which is perhaps the most seriously affected by the congestion in wheat. It is seriously affected because we had a good crop in 1952, a good crop in 1953, and in many parts of the constituency an average crop in 1954, followed by a good crop this year of good quality grain. This means, therefore, that many farmers in the constituency of Kindersley still have wheat stored on their farms grown in the 1952 crop year. This emphasizes the problem and is some indication of the amount of grain in store upon some Saskatchewan farms.

I think what I must do in outlining an argument on the subject of wheat, and marshalling support for the amendment to the amendment moved by the hon. member for

Rosetown-Biggar, is first to explain to members from other parts of Canada the problems confronting us in western Canada and, second, to explain to members of the government the problems confronting us. I think the problem can be summed up by saying that the farmers are caught in a price cost squeeze. If we were to analyse the cost of production and the returns over the past few years I think it would indicate that this more than anything else is the problem that we are desirous of solving at the moment.

Operating costs are very high and, as was pointed out by the hon. member for Assiniboia (Mr. Argue), the cost of production index for farmers stands at 241 on the basis of the period from 1935 to 1939 being 100. This gives us an indication that it is costing us over two and one-third times as much now as it did in the base period of 1935 to 1939, taking that period as 100. We find that since the war there have been increases in the prices of everything the farmer has to buy. We have been subjected to increases in the prices of farm machinery, fertilizer, gas, oil and grease, repairs, labour. Indeed, I cannot think of one item used on a farm which has decreased in cost since the war.

Tied in with that is the technological advance which has overtaken agriculture and which of necessity has increased the farmer's cost of production, because included in the technological advance is the use of such things as chemical sprays, chemical wire worm control, chemical insecticides which will increase productivity but also increase cost. It is a most inefficient farmer who will hesitate to use these things to obtain the maximum amount of production.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Johnson (Kindersley): At the supper recess, Mr. Speaker, I was pointing out how the technological advances in agriculture had caused farm costs to be higher than they were in previous years. I was pointing out how the use of 2-4-D for weed control and Mergamma-C for wire worm control and the judicious use of fertilizers have also increased production. I do not think we can for one moment assume that the average production of wheat is as we term it today. We like to think in my area that the average yield for wheat is 16 bushels to the acre. I am quite convinced that with these technological advances the average yield in my area in a dry year would be closer to 18 or perhaps 20 bushels to the acre.

I believe it is necessary for the government to consider this increase in average yields rather than take the point of view the Minister of Trade and Commerce evidently takes when he makes the statement that if we had had a dry year we would have no surplus. I believe the Minister of Trade and Commerce missed the point entirely. In those areas that have no crop the farmers are extremely hard up. I am thinking of areas such as the interlake region of Manitoba, represented by my colleague the hon. member for Selkirk (Mr. Bryce). They have no grain, and they are extremely hard up. Therefore I do not think we can continue to hope for a dry year as the means of solving this governmental dilemma. The costs of producing a large crop are of necessity higher than the costs of producing a smaller crop because of the increased threshing expense.

Then after we have gone through the procedure of harvesting a crop we are faced with perhaps the biggest expense of all, the cost of building storage on our farms. These costs range from 15 to 20 cents a bushel. In the light of these figures one can make some appraisal of the very high costs indeed that are facing western farmers. They are of necessity building granaries; and if these dry years for which the Minister of Trade and Commerce is hoping do come, the farmers may never need those granaries again. The construction of these buildings is part of the cost of operation, yet the Minister of National Revenue (Mr. McCann) denies the farmers the privilege granted to those making money out of handling of wheat, accelerated depreciation for this storage.

Perhaps one of the most revealing figures related to farm costs came to light in a survey of 77 farms conducted in the Kindersley area in connection with the Kindersley vocational farmers' association. The figures dealt with the costs of farming, and the conclusion reached is that the cost of production of a bushel of wheat, allowing no wage to the operator, is on an average for all the farms $1.16 a bushel. If you were to allow the operator a yearly wage of $3,000, which is not exorbitant in these days, the cost is $1.60 a bushel. With these figures in the background pointing up the very high costs of production for the western farmer, we must look to every aspect of the problem to see in what way he can hope to recover some of his capital costs and have a little bit left over in order to carry on in the future.

We find that in the past crop year many farmers were unable to deliver the eight-bushel quota which was promised to them by the Minister of Trade and Commerce on February 18 of last year and again as late as July 7 of that same year. At that time he

indicated that all of the grain would be off the farms by the start of the new crop year. I have had it indicated to me that these remarks created the feeling that farmers had an assurance from the responsible minister that they would be able to market all these thousands of bushels of grain they had in storage on the farm, so they need not worry if they had to replace their tractor, their combine or make some other capital expenditure.

When this promise failed to materialize the farmers found themselves very hard pressed. When it failed to materialize to the extent that they could not even deliver the eight-bushel quota last year, let alone this last crop year, they found themselves in very straitened circumstances indeed. We find today there are some points in Saskatchewan that are on a quota of 3 bushels per specified acre. Yet in other areas not too distant we find they are still on the unit quota which allows a delivery of 300 bushels per farmer, and these people have not had access to storage space in the elevator to deliver that.

I believe the government should give very serious consideration to making an investigation into the functions and duties of the transport controller who is responsible for allocating box cars to various marketing points along the railway line, and for assuring that they are fairly apportioned. Last fall, for example, I found that farmers in the Alsask area who had produced some flax were forced, as a result of the shortage of box cars, to haul that flax 160 miles to Saskatoon in order to deliver it. We found farmers from Sceptre on the Canadian Pacific line hauling their flax down to Medicine Hat at a cost of 25 cents a bushel.

If you can think of anything more ridiculous than hauling your own grain along the main railway line by truck to points which have space available, you have to use some imagination. We found farmers hauling their Durum from one rail line to another, from Merid to Compeer, a distance of 40 miles, in order to deliver some grain and recover some money. As recently as December they were hauling Durum wheat across the South Saskatchewan river from Lancer up to points on the Canadian National line where there was space available. In the process of doing that, one farmer's truck fell through the ice and he lost his load but was able to recover the truck.

These facts give some indication of the desperate circumstances in which farmers in western Canada are. They do not like hauling flax or Durum 160 miles to market. They do so because of dire necessity. This dire necessity is perhaps caused by the fact that in the early fall the priority given the use of box cars indicated to me that the government had written off western agriculture. The first priority was given to hauling lumber. About 100 of these big 40's per day were shipped out of the Saskatoon division for the express purpose of shipping lumber. These are the same cars that today are down in the United States, the same cars that are not available to transport grain to fill the terminal storage space. The next priority was coal. About 100 cars a day were allocated to that. Then, after that, they might give some consideration to hauling grain for the farmers.

Last fall one of the big mills in Humberstone could have used 30 cars a day to haul wheat from the prairies, but the cars were just not available through the inefficiency of the transport controller or through the misdirection of the government, I am not sure which.

We see then, Mr. Speaker, that on the one hand we have these very high operating costs, and on the other hand we have had no opportunity to deliver a quantity of the grain that a bountiful nature has given us, to offset these exorbitant production costs.

We must think in terms of the returns for a year's labour. The Minister of Trade and Commerce likes to refer to the past, so I think I should be allowed to do so as well. It will be found that in the period from August, 1945, to July 31, 1953, the average producer return from a bushel of wheat varied between $1.81⅞ and $1.85½. But the 1953 crop indicates an entirely different story again, because on the wheat the farmers were able to deliver they recovered $1.564 a bushel, or 27 cents below the 1945 to 1953 average. I expect that the price the farmer will receive for his crop this year will be even lower.

We know that tied in with this decline in price is the fact that deliveries from the farm up to December 28, 1955, are down nearly 70 million bushels from last year, and that was bad enough. They are down 173 million bushels from the ten-year average. This gives us an indication of the shortage of purchasing power so that farmers cannot compensate for the increased cost of production. Tied in with that is the fact, as was pointed out by previous speakers in this debate, that the purchasing power of a bushel of wheat is less than 50 per cent of what it was in 1945. We are now coming to the crux of the situation, and I should like members in every corner of the house to give this very serious consideration. The purchasing power of a bushel of wheat has declined to less than half what it was in 1945.

While I am on this point I should like to indicate to members from other parts of Canada, who are not familiar with wheat growing, that the producer does not receive $1.40 a bushel. I have heard that statement used many times by people who do not know that the farmer pays the freight to ship his grain to the lakehead or to the coast terminals. In the case of a 19-cent freight rate, it would mean that the farmer would recover $1.21 a bushel for No. 1 northern. On the other hand, if he happened to have an inferior quality of grain which graded down to No. 1 feed, he would receive 79 cents a bushel. You can imagine the financial plight of a farmer who can only deliver 8 bushels per specified acre and receive 79 cents a bushel. The results of this are manifest in other aspects of the economy. It is not just a local problem; it is not just a situation out in Saskatchewan that we can blindly overlook.

Last year one of our major sources of unemployment was the farm implement industry. We find that in Canada in 1953 the wholesale sales of farm implements were $238 million. They were down 4·9 per cent from 1952. In 1954 the wholesale sales of farm machinery were $146·7 million, or a reduction of 38·4 per cent from 1953. In the three prairie provinces, where this situation is even more critical, it will be noted that in 1953 the sales amounted to $159,667,000 but in 1954 they dropped to $80,928,000, which is a decline of almost 50 per cent. Therefore it is only a matter of time until the dilemma and the quandary facing the western farmer are reflected in the other portions of our economy.

We have to make a thorough assessment of the problem. That assessment cannot be based on the terms used by the Prime Minister, because in a telegram to Premier T. C. Douglas of Saskatchewan on October 24, 1955, he had this to say:

> On studying this problem carefully and having in mind our experience with the 1951 crop, it was apparent to us that only a relatively small number of farmers would in fact require assistance.

The statement of the Minister of Trade and Commerce today certainly did not give any illumination to the situation, when he indicated that there was a slight shortage of cash.

In order to accurately assess conditions in the Kindersely constituency, which is representative of Saskatchewan, I invited the opinions of rural municipal councils throughout that area. I invited them to express their opinions to me, through resolutions, on the financial position of the farmer, on the suitability of bank loans as a temporary solution, and any other solutions which they would have to offer. The replies were most illuminating. They did not coincide in any way, shape or form with the statement of the Prime Minister or with the statement of the Minister of Trade and Commerce.

In the replies I received the statements of the financial position ranged from "fair for the moment" to "will change very soon." As an indication of that fact I received such expressions as "dire shortage of cash", "critical", "weak", and "acute". These are replies that I received from members of rural municipal councils of the Kindersley constituency, men who have the greatest knowledge of the situation at the present time.

I asked for their expressions of opinion on the suitability of bank loans. The replies I received, with the exception of one that it might help as a temporary solution, were such as of "inadequate", "worse than useless", "highly resented", and "very unsatisfactory".

Other suggestions I received from the councils ranged from requests for cash advances on farm-stored grain to lowering of tariffs, acceptance of sterling, foreign currencies, and a reclassification of low grade wheat. What they had in mind there was a reclassification of grades 5 and 6, which are glutting the terminals, to a feed status wheat which could be sent to areas such as that of the hon. member for Selkirk (Mr. Bryce), to assist those farmers who have no feed and no wheat.

There are two resolutions which are of particular interest, and perhaps they sum up the situation as expressed by the resolutions from other municipal councils and will give the house an opportunity of gleaning the feeling of the farmers in that area. I am going to read those two resolutions. The first is from the rural municipality of Deer Forks, No. 232, and reads as follows:

> Whereas, the farmers of this municipality are in a very difficult financial situation due to the following factors;
>
> 1. Several successive years of good crops grown, a lot of which are backlogged on the farms and cannot be sold because of the present marketing conditions;
>
> 2. Practically all of the available reserves of cash have been exhausted to carry on the farming operations and to provide the necessary storage facilities on the farms for this surplus grain;
>
> 3. The continuous rise in the cost of farm machinery, equipment, repairs, fuel and other commodities which the farmers must purchase to carry on their farming operations and the steady decline in the prices of the products which they produce to sell;
>
> And whereas the recent guaranteed bank loans on future marketings of grain have failed to remedy this situation;
>
> Be it therefore resolved that the council of the rural municipality of Deer Forks No. 232, in the province of Saskatchewan, strongly urge the Prime Minister, the Minister of Trade and Commerce and the member of parliament of our federal

constituency of Kindersley to adopt the following recommendations with as little delay as possible:

1. Provide cash advances up to 75 per cent of the value of all stored grain on the farms through the facilities of the Canadian wheat board;

2. Enact the necessary legislation to provide for parity prices between the commodities which the farmers must purchase and the products which they produce to sell.

Certified a true copy of a resolution passed by the unanimous consent of the council of the rural municipality of Deer Forks No. 232, at their regular meeting held on the 5th day of December, A.D. 1955

W. P. Rolick,
Secretary-Treasurer,
Rural Municipality of
Deer Forks No. 232.

This is an indication of what the farmers in Saskatchewan are thinking as reflected by those who are closest to the problem, the municipal councils.

I have one more that I should like to put on the record because it expresses the attitude of farmers throughout the west. This is addressed to me:

Dear Sir:

At the last meeting of council there was quite a discussion on the wheat and farm situation, and as a result of the talk on the matter the following resolution was passed.

"Resolved that we send a resolution to our member to Ottawa advising that in the present wheat situation we are in favour of the following policies for the immediate and long term future.

1. That under present wheat board arrangements interest free advances should be available up to 75 per cent of the expected sales quota on wheat

2. That when land is seeded to grass in the future so as to reduce acreage in wheat that the sales quota be not reduced so that encouragement to reduction in acreage in wheat be given.

3. That we are in favour of a wheat acreage reduction program providing arrangements are made to purchase all production from the reduced acreage.

4. That we are in favour of accelerated depreciation on farm storage being allowed by the Department of National Revenue.

5. That we are in favour of all grades of wheat from No. 5 down being classified as feeds and subsidized for sale to local and foreign markets until this type of grain surplus is used up.

6. That we do not feel that our type of local agriculture can continue to carry on with the marketing situation of the last few months."

Carried

The council feel that this matter of an agricultural sales policy and all its ramifications and effects is not a political matter as it is one that will affect the whole economy and should be considered as a business matter without any reference to party east or west, as loss of markets will affect all.

Yours sincerely,
W. H. Howes,
Secretary.

There are two of the letters, Mr. Speaker, as I indicate, which outline the thinking of farmers in that area in respect to the cash situation of farmers and the attitude they have toward a solution. We must then turn to the solution of this problem.

I think we are fairly safe in assuming that a problem does exist. The first problem is that of finding an immediate solution, a means of putting cash into the hands of farmers now, not six months from now. It is in this regard that the hon. member for Rosetown-Biggar moved the amendment to the amendment requesting cash advances of 75 per cent of the value on the anticipated delivery quota. It is a policy that has been advocated since 1942 as a necessary part of the wheat board legislation and as a permanent aspect of that policy. It is simply an extension of the principle of orderly marketing.

This morning the Minister of Trade and Commerce stated that every time the C.C.F. mention the wheat board, we say we are in favour of it—but. I submit that not only are we in favour of the wheat board but we are a champion of the principle of orderly marketing. For example, you tell only your best friend that he has halitosis, and the same thing relates to the Canadian wheat board. We are so determined to maintain it that we draw these points to their attention so they can be corrected, so this principle of orderly marketing can be continued. We do not take the attitude, "Do not say anything against the Canadian wheat board because the government might throw it out".

The Canadian wheat board is simply an agency of the government. If we do not like the policies the government is foisting upon the Canadian wheat board, policies which might in a few short years undermine the wheat board, we do not hesitate to draw them to the attention of our best friend, in the hope that they may be corrected. The Canadian wheat board has adopted the principle of buying more wheat from the farmers than they can sell in one year. Why not enlarge this principle to the extent that they can make cash advances on farm-stored grain? That would be buying a little more wheat from the farmers than they might sell but you would continue to enlarge the principle of orderly marketing.

The Minister of Trade and Commerce in his outline this morning stated that he went west to see the situation and the extent of the remedy necessary, but before he went west he realized that he had better do something to salve some of the wounds, so he had already decided something should be done and he dragged out this old chestnut of bank loans, a piece of 1951 legislation in the hope that his reception out west would be a little better. It did not help, Mr. Speaker, because I am afraid if I were even to think of some of the expressions that I have heard used to describe the policies of

the Minister of Trade and Commerce you would immediately call me to order.

I am afraid once the farmers of western Canada hear the recent statement of the Minister of Trade and Commerce as to why he could not recommend cash advances on farm-stored grain their reception of him would be worse. The only criticism the Minister of Trade and Commerce had against cash advances on farm-stored grain was that you could not trust the farmers. He is afraid they would go out some dark night after they had received the cash advance, and feed the grain to the pigs, or perhaps sell it to a neighbour. That is the objection the Minister of Trade and Commerce has. He says it is all right to do it through the banks, where we can get our ounce of flesh, but if we do it through orderly marketing we just could not implement this type of policy as far as Saskatchewan farmers are concerned because they could not be trusted.

He was quite pleased with the rate of 5 per cent, stating he had borrowed money at higher rates of interest than this from time to time; but I don't think he would borrow his own earnings at 5 per cent, which is precisely what the farmers of Saskatchewan and western Canada are asked to do. Bank loans are inadequate, so inadequate that one of the major banks in Kindersley has had inquiries about it but it has not made one loan. The bank at Abbey, which serves eleven hundred people, has only loaned $15,000. It is not that they do not need it; it is that they highly resent paying interest on their own money and burdening themselves with future debt. If the Minister of Agriculture (Mr. Gardiner) decided to diversify agriculture and offer free banana seeds to all the farmers of Canada I do not think they would take that offer either; and there is not too much difference.

We find that the farm organizations of western Canada are unanimously in favour of cash advances on farm-stored grain. Municipal councils, the farmers' union and the Saskatchewan wheat pool are in favour of the proposal. In fact I have not met a farmer or a businessman who is opposed to the principle of orderly marketing through cash advances on farm-stored grain. I imagine the members from Saskatchewan, no matter where they sit, would be obligated to vote in accordance with the wishes of the farmers of Saskatchewan and support the proposal for cash advances on farm-stored grain. I think it will be most interesting to see for whom they vote when the time comes.

The second immediate solution that has been offered has to do with a two-price system under which the farmer would be paid a price on the maximum under the international wheat agreement or, as the president of the Saskatchewan wheat pool has termed it, a price of $2.30 a bushel. An increase of 20 cents a bushel would only mean an increase of one-third of a cent on a loaf of bread. We have already admitted the desirability of this two-price system, because the farmers who grow Durum and sell it on the domestic market receive $2.04 a bushel, but when it is sold in the export market the price is $2.74 a bushel.

We must turn then to a long-term proposal as a final and definite solution of this problem. Other solutions have been advocated by my colleagues from time to time and will be advocated in the future. We must turn to the long-term solution. The first point I have outlined is the necessity for stimulating trade. The Minister of Trade and Commerce indicated that our actual exports were only declining gradually. He pointed out that the 1954-55 sales were 251·8 million bushels, and he was applauded by all government members of the house. But what the Minister of Trade and Commerce did not tell the house was that in an expanding world market, Canada's share was declining. He did not tell the house that the sales by Argentina in the same year were up 24 million bushels; that the sales by Australia were up 31 million bushels; that United States sales were up 65 million bushels, while Canada's sales, one of the major wheat exporters under the international wheat agreement, suffered a decline of 3 million bushels.

The minister stated that he was in favour of give-aways, when replying to the hon. member for Assiniboia; yet he said this morning that you cannot have barters and you cannot deal with certain types of currency because those would be give-aways. What I say is that if that will help us move some of our wheat, the mechanical arrangements can be worked out to the mutual benefit of all countries.

The final point which I should like to deal with in connection with the long-term program is the necessity for Canada to give some leadership in international affairs. Too often we have paid lip service to the two-thirds of the people of the world who are starving, and I think it is necessary that Canada show some initiative and follow the recommendations made by Dr. L. E. Kirk, retired chief of the plant production branch, food and agriculture organization, who in setting out several programs stated:

> These would include: a persistent effort to reduce tariffs in order to facilitate world trade; encouraging the production of alternative crops in order to reduce those products in surplus supply; lowering costs of production by greater efficiency as a means of lowering prices; making grants in aid of

surplus products to needy countries either as outright gifts, or preferably, conditional on the importing country matching such grants with counterpart funds for use in their own economic development.

I think we have passed the stage in civilization when we can allow thousands, yes millions, of bushels of wheat to lie in the fields of western Canada to be blown asunder by storms as happened last December. Farmers lost as much as 1,500 bushels, which were just blown away. This should not be allowed to happen when people in other areas of the world are starving.

If we are to be realistic in considering the whole matter of defence, the matter of winning friends in the world, I think we should be able to squeeze enough water out of the $2,000 million of defence expenditures to provide $500 million a year for this international organization in order that it may buy up surplus food from the surplus-producing areas and distribute it through the proper means to those areas which need it, those areas where men are starving. In the near future we will be needing the men in these areas as our brothers and friends.

This is a policy which we should launch ourselves so we will be ready for what may come in the future. I have pointed out the necessity for correcting the cruel price-cost squeeze which is facing western farmers. I have pointed out the inadequacy of some of the legislation which has been proposed, and I have referred to the legislation which western farmers and businessmen desire in order to remedy this situation. In conclusion I have pointed out what long-term solutions are necessary to solve this problem of grave national concern.

Mr. F. A. Enfield (York-Scarborough): Mr. Speaker, I too want to congratulate the mover and seconder of the address in reply to the speech from the throne. While this may be somewhat repetitious, my congratulations are sincere. I have always considered the hon. member for Timiskaming (Mrs. Shipley) a most capable speechmaker, and I am sure we are all proud to have this lady Liberal member on our side of the house.

The hon. member for Bellechasse (Mr. Laflamme) showed a wide interest in Canadian affairs generally. I envy him his fluency and ease of expression, which most of the French-speaking members in the house seem to attain.

Some hon. members have complained of errors of omission in the speech from the throne. It has been said that it omits to mention a number of the problems which are besetting Canada that should have been mentioned. I think an error of omission was committed in that it did not say enough about the good things that have occurred in our country during the last year. It does contain a few cryptic comments about the country's prosperity and the growth we achieved in 1955, and I think we can look back on that year as one of continuous expansion and terrific growth. During the past year Canadians spent more money, earned more money, produced more goods, bought more goods, sold more goods, exported more and imported more than ever before in the history of the country. We have a larger labour force working today than at any time in the country's history.

It is significant that as we meet this year our problems are concerned mainly with the growth in the economy and the inflationary aspects of what is occurring, rather than with unemployment and the deflationary trend about which we were worried when we met in January of 1955. My own particular constituency has been no stranger to this almost frantic growth which has occurred in Canada during the past year.

Reliable sources of information to which I have had access, namely the chairman of the metropolitan commission in Toronto—we call him the super mayor, Fred Gardiner—tells me that metropolitan Toronto is the third fastest-growing community on the North American continent, being surpassed only by Los Angeles, California and Houston, Texas. Upon examining the construction figures under the National Housing Act I find that more starts and finishes occurred in the metropolitan area than anywhere in Canada during 1955. I am pleased also to note that of the building activity under the National Housing Act in metropolitan Toronto, 43 per cent occurred right in the riding of York-Scarborough. So according to my calculations that would make York-Scarborough the fastest growing centre in Canada.

I think I am safe in saying that my problems are concerned chiefly with this growth, and I suppose hon. members will say that I am lucky to have problems of this nature rather than problems of other types. However, there is one situation I want to mention. It is a local matter, but as I go on I think it will be seen that this encompasses considerations which are of national concern.

As hon. members know, the planning for transportation facilities constitutes a terrific headache in our rapidly expanding centres of population in Canada. Railroads such as the Canadian National Railways are called upon to provide increases in their plant and equipment, in their trackage, in their assembly and marshalling yards, in their repair and storage buildings as well as in their rolling stock and other equipment. It is not always easy

to locate these railroad developments in areas where surrounding property values will not be affected adversely.

It was with some dismay that about 10,000 of my constituents and myself were faced with the decision of Canadian National Railways to establish a huge assembly and marshalling yard smack in the centre of a fine residential area in south Scarborough.

We commenced to make representations opposing this development in the fall of 1952, previous to the last general election, and the battle has gone on until just recently. During that time, delegations of citizens attended here in Ottawa before both the present Minister of Transport (Mr. Marler) and Hon. Lionel Chevrier, the previous minister of transport. Representations were made to Mr. Donald Gordon, president of the Canadian National Railways, in Montreal; briefs were presented to the railway officials in Toronto, and our case was laid before the board of transport commissioners in a hearing they held on the subject.

All during this period the railways were adamant in their stand in so far as the development was concerned. They needed the space. Their argument was that having purchased this land for this purpose in 1926, they felt they were on very strong ground in their desire to go ahead with the particular type of development, that is a marshalling yard, they had in mind.

To make a long story short, finally in December of this year I introduced another delegation of citizens, with the reeve of the muncipality, Mr. A. Harris, to the Minister of Transport in Ottawa. After our presentation the minister made arrangements to attend at Toronto and inspect the site personally. In the middle of December we were glad to show him the actual site of the problem. After viewing the area he mentioned that he would ask Mr. Donald Gordon and his advisers to take one more look at the situation and give it further consideration.

Accordingly, late in the same month of December we were called in by the Canadian National Railways officials in Toronto and, to our delight, we were presented by the railways with a new concept in planning for a metropolitan Toronto. Instead of a huge assemby yard, they had pared down their plans to a small storage yard and were able to release 100 acres of fine industrial land that could be sold for private purposes. This was the balance of their holding in that particular area. In addition, they are installing a service road along the boundary of this industrial land and a green belt some 200 feet in width which will protect the residential housing in the immediate vicinity.

[Mr. Enfield.]

The municipal officers of the township of Scarborough were, of course, very much elated over the prospect of this new inflow of industry and a consequently increased municipal assessment. We were all very happy that the residents were to be protected in so far as their property values were concerned.

Here was a situation where, to all intents and purposes, the die had been cast. A large corporation had made up its mind to carry out a development that dated back to 1926. Yet even at this stage the Minister of Transport saw fit to ask them to reconsider, which they did, and the matter has been solved to the lasting benefit of the people. I think it was a question of weighing what was most in the national interest; whether this development should continue as planned or whether the interest of the people in the area, who stood to lose some millions of dollars in property values through this development, was paramount. I am happy to say that in this case the people's side of the argument won out.

To my mind this is the finest example of democracy in action, and I must express my heartfelt thanks to the minister for his assistance and to the railway management for keeping an open mind even at this very late stage in the development. Most of all, I take off my hat to the civil action committee of the citizens. They did a tremendous amount of work in maintaining the enthusiasm of the people and in the presentation of their arguments; and, of course, the victory is theirs.

There is one thing that bothers me about the whole problem. The railway purchased a site some 29 or 30 years ago for a certain purpose. They stated the purpose at the time of the purchase, and they felt that this gave them an inalienable right to hold that land as long as they wished and develop it for that purpose at any time. Compare this with a private individual who buys a piece of land in a booming, growing metropolitan area. He holds it for many years and then, at some future time, he applies to the municipality for permits to construct the particular type of development he had in mind in the beginning. He is faced with zoning bylaws and regulations which say that the area has changed and that there is no particular reason why his plans should not change with it. This is called planning; and, of course, it is the only intelligent way to carry on development in growing metropolitan areas.

To avoid a repetition of this very large problem—and I must stress the fact that this was an acute problem for the some 10,000 people concerned in Scarborough—I would suggest to the C.N.R. that when they

purchase land for large developments of this nature they plan their activity in concert with the municipality concerned. If this were done, a plan of subdivision could be registered against the title of that land. A permanent record would be made of the intentions of the railway, the surrounding land could be zoned at the same time for industrial purposes, and the whole problem would disappear.

The C.N.R., as it is presently constituted, has the power to develop whatever property it owns in the way it wishes without reference to municipal or provincial planning bodies or councils. No doubt in the past the C.N.R. has had to have this power, but in the future, as our metropolitan areas grow and our centres of urban population grow, our railways will have to be more conscious of the planning of such areas so that problems such as the one I have just seen solved may be obviated.

It is with great respect that I make this suggestion. Having solved my particular problem and having learned something, I must take this opportunity to try to pass on what I have learned to those who are responsible for the administration of the railway.

There is another matter in which the people of my constituency and, I think, many people in Canada are most interested. This is the question of a national health insurance scheme. I should like to say a few words in that regard. It is my considered personal opinion that a majority of the people in metropolitan Toronto, at any rate, are sold on health insurance. The only question that remains is whether a health insurance scheme taken out of private hands and placed on a governmental basis can provide cheaper, more adequate and wider coverage than the presently constituted private schemes such as the Blue Cross and P.S.I., which are now in operation. I feel personally that that will be the case. I feel that on a universal basis, cheaper, better and wider coverage can be offered to the public, and I think Canadians are ready and eager to accept such a plan, provided they will still have a free choice of doctor or hospital.

However, a perusal of the recent proceedings of the federal-provincial conference leaves it far from clear, to say the least, what we may expect in this connection. The government, through the Prime Minister, indicated its willingness to proceed with a plan of national health insurance if participation by a substantial majority of the provinces representing a substantial majority of the people were assured.

Reading these proceedings it is rather difficult to determine from the comment or lack of comment by the provincial spokesmen whether such participation will be forthcoming. The provinces naturally are concerned with the fiscal problem, the question of whether under a hard-pressed financial structure they are going to be able to afford to participate in a national health insurance scheme. I was encouraged, therefore, when I learned of the recent proposal of the Prime Minister regarding fiscal arrangements with the provinces. I calculate that under that proposal there will be, in total, additional payments of some $67½ million to the various provinces over and above the present tax rental schemes.

The proposed new dominion-provincial fiscal arrangements may strengthen the provinces' financial position to the point where they may strengthen their resolve with regard to health insurance. I think what the provinces need is to have some concrete plan placed before them in the way of a national health insurance scheme with definite ideas as to its cost and, of course, indications of how the money is going to be raised to pay for the scheme. From our point of view, as the Prime Minister pointed out in the conference, the prerequisite to the institution of such a scheme is that it be proven or indicated that the scheme will be in the national interest and will affect the majority of the people of Canada. Only on such a basis will we have the constitutional power to go ahead.

In the meantime the federal government is continuing to consider the matter, in that a committee has been set up composed of representatives of the federal government and of the provinces who I understand are to hold their first meeting to discuss the matter on January 23 next. I would suggest to our federal representatives that they adopt an aggressive, positive and optimistic approach to the question of national health insurance, because I think the provinces will need that approach if they are to be encouraged to enter the scheme.

Even if such a scheme were limited to hospital insurance alone it would be a great boon to the Canadian people. Hospital costs are the biggest single item when it comes to sickness. You can put off your own family doctor for a few months so far as his bill is concerned, but I understand you cannot even vacate your room in a hospital unless you have first made arrangements to pay your bill.

In the meantime we are of course continuing our activity under our national health plan. The philosophy underlying the national health plan of course is that you cannot have national health insurance until you have the necessary hospital space and other medical

facilities to look after the people when the plan is operating. We are fortunate in Scarborough in having a newly constructed Scarborough hospital which is on the brink of its grand opening. We received a grant of $197,500 under the national health plan system of grants to assist in its construction, and a further $40,000 was received by the hospital from the Atkinson foundation in Ontario. The Atkinson foundation is an organization established by the late Joseph E. Atkinson to carry out charitable activities in the province of Ontario. In the field of health alone this foundation has paid out since its inception in 1942 nearly $2 million in health grants, and has authorized the future payment of nearly $1 million more.

There is no overestimating the importance of such charitable organizations, and with the terrifically increased demand for medical and hospital facilities that would accompany the institution of a national health insurance project the work of foundations of this kind will become increasingly more important and necessary in the field of health grants.

Our social welfare measures of course have to be paid for, and Canada's ability to pay depends on our resource development. Over the past few years our tax policies and political stability have encouraged the heavy inflow of large blocks of foreign risk capital, vestment in our resource industries. I was surprised to note the grave concern of the particularly United States capital, for investment in our resource industries. I was surprised to note the grave concern of the hon. member for Rosetown-Biggar (Mr. Coldwell) in his speech on January 12 last about the extent of United States capital investment in this country. I say, thank heaven for it. Without large and substantial amounts of risk capital we would not be enjoying the high level of business activity, the sharp and steady rise in our standard of living and the attainment of the style of living to which we would all like to become accustomed.

Natural resources are no good to anyone if they are left in the ground. If they are left there long enough they are no longer natural resources. The other night the hon. member for Macleod (Mr. Hansell) gave us a very interesting and graphic picture of what technological advance and change can do. He pointed out that we may soon be able to fly to the moon, using the new sources of energy that we are producing. I suspect that when he spoke of the third province that was to fall to the Social Credit party he might have been thinking about the moon. I think it is important to recognize that substitution through technological advance may outmode products, materials and sources of energy so that they are no longer resources, and we must make hay while the sun shines.

The resources we have to develop can only be developed with foreign capital in the present stage of the growth of this country unless, of course—and I doubt that this would occur—a socialist government were able to take every aspect of the whole economy and organize it completely.

Mr. Nicholson: A Liberal government did it during the war.

Mr. Enfield: A very interesting point has been raised, and no doubt the hon. member who interjected it will have ample opportunity to follow it up on future occasions. In any event, as far as I can see the problem of heavy United States investment is confined generally to the field of labour-management relations, not fully but chiefly. A large United States corporation, for example, may look upon the Canadian branch of its operations as expendable in the face of very heavy trade union pressure. The least they might do is to use the Canadian situation as a ground for experiment. Perhaps it was this to which the hon. member for Rosetown-Biggar was referring.

In this connection I am most happy to see in a recent speech by Mr. Walter Gordon, chairman of the royal commission studying Canada's future economic prospects, that the problem of heavy foreign capital investment in Canada is one of the most important matters that the commission will be studying. I look forward to the results of that study. I think they will be very illuminating. I might take this opportunity to commend Mr. Walter Gordon and his commission on the aggressive, vigorous, and energetic attack they are making on the matters arising from their undertaking.

Well, a booming economy always seems to leave a certain amount of labour unrest, a certain amount of conflict between labour and management, in its wake. Unfortunately my riding has been no stranger to this during the last year. The Canada Wire and Cable Company has been shut down for some time by a strike. This plant is located in the section of my constituency known as Leaside. We have two very large Frigidaire plants, both of which are idle at the present time as a result of the strike in the General Motors organization. One cannot help but feel very grave concern over the privation and suffering that the families of the workers at these factories must be undergoing because of the long period of idleness. I can only express my hope that the parties concerned, in the unions and in management, will be able to

meet in the immediate future and find a common ground on which their differences can be settled.

In conclusion may I say that while 1955 has been a big year for Canada, I expect an even bigger year in 1956. We have our difficulties in certain well-defined areas of our economy. I think it would be too bad, however, if we allowed our good judgment to be blurred by such difficulties in our approach to the over-all picture. Domestically we are very strong indeed. In the international sphere Canada has never enjoyed greater stature, resulting from the unflagging efforts of our own Secretary of State for External Affairs (Mr. Pearson). We hope we will hear much from him later on his extensive coverage of world affairs and his extensive travelling since the last session. Our prestige has never been higher at the United Nations. This results from the work of our delegation headed by our very capable Minister of National Health and Welfare (Mr. Martin). I for one, therefore, Mr. Speaker, look to the future with very great optimism indeed.

Mr. J. C. Van Horne (Restigouche-Madawaska): It is an honour for me, Mr. Speaker, to congratulate the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the motion moving the acceptance of the speech from the throne. It is also an honour to be here and to assure you, Mr. Speaker, and the members of the house of my willingness and desire to co-operate with them in every way possible. I am indeed pleased to see again the four or five ministers and the numerous members of the opposition across the floor who campaigned so vigorously against me during the last election in Restigouche-Madawaska. It was indeed unfortunate that the election took place right between our famous salmon fishing season and our hunting season, because these hon. gentlemen could have avoided wasting their time.

It is a pleasure for me to congratulate the new members. I regret that the hon. member for Temiscouata (Mr. St. Laurent), who represents the riding located next to mine, does not intend to speak. I thought possibly he could help me convince his father that the government should do something for the maritime provinces. We do have power, and we could sell him the power he needs to build the industries he promised in Temiscouata riding. May I say this. I very much appreciate the co-operation and assistance I received from thousands of former supporters of the Liberal party who voted Conservative, many for the first time.

An hon. Member: And probably for the last.

Mr. Van Horne: I invite hon. members across the floor to follow their example. I also express my thanks to the numerous supporters of the Social Credit and C.C.F. party who actively supported the official opposition, thereby informing the government in no uncertain way that we are dissatisfied and discouraged with the indifference and lethargy with which this country has so long been governed. The speech from the throne confirms this fact, and makes it abundantly clear that the government is indeed indifferent to the needs of the Canadian people.

My riding of Restigouche-Madawaska stretches some 210 miles right around the top of the province of New Brunswick. Our breathtaking rivers, the Restigouche, Upsalquitch and Matapedia, have played host to the world's famous anglers, and our guides on those rivers are recognized to be the greatest guides in the world. The people are hard-working and for the most part are engaged in lumbering, farming, fishing and pulpmill operations. All of us have endured our full share of indifference on the part of the federal government. We are, Mr. Speaker, fed up with the Liberal government.

The riding of Restigouche-Madawaska is a vital part of the long forgotten and neglected maritime provinces. Alas, our economic history since confederation has not been a happy one. From the bleak stretches along the shores of New Brunswick over to the closed mines at Inverness and to the far reaches of Madawaska county, deserted farms, deserted homes, deserted mining villages, closed factories and shops, mark the long procession of our young people who have to leave the maritimes, forced to go elsewhere to make a living. They were driven from our land by the same economic conditions which yesteryear drove our forefathers from the shores of Europe. Why must we become emigrants again from the maritime provinces, driven like nomads on the desert, from place to place, to find work and a chance to make a living? The burden of education becomes greater and heavier as we raise our sons and daughters in the certainty soon they will be forced to leave our beautiful part of the country to go elsewhere to find jobs. How can traditions be established and maintained in our families if they are going to be continuously uprooted?

We in the maritimes are going to have our place in the economic sun of Canada. Such men as Premier Smallwood are going so far as to say publicly that unless the federal government wakes up to our needs Newfoundland will leave confederation. This young

generation is on the march, regardless of party politics. Mr. Smallwood is supposed to be a good Liberal. We are going to get a new deal for the maritime provinces. If this government does not want to give us justice and our economic rights, we are determined to replace it with a government that will. We say this, give us a new deal or quit.

As Hon. Hugh John Flemming, premier of New Brunswick, whose courage and devotion to the cause of the maritimes have earned him the reputation of being an outstanding champion of maritime rights, said recently before the Gordon commission:

> Though it is my firm conviction that the great economic experiment undertaken by confederation to make trade flow artificially east and west instead of naturally north and south was like trying to make water run uphill—it has turned out to be like our own famous magnetic hill in New Brunswick—a definite illusion.
>
> At the time of confederation, the voice of the maritimes was heard and heeded throughout Canada. It will be heard again.

New Brunswick is no longer content to remain one of the weakest links in the Canadian confederation. Last Friday I tendered a resolution calling for a new deal in the maritime provinces. It has since been amended to conform to the rules of the house. What we need in the maritimes is an entirely new deal. We feel that the government should put into force immediately an over-all new deal plan to ensure that economic development in the maritime provinces will cease to remain stagnant and will keep pace with the modest economic progress of central Canada.

We ask you for federal financial assistance to help develop our natural resources. We ask you for drastic reductions in transportation rates to the full extent needed to permit competition by maritime producers and manufacturers in confederation-made markets. We ask for regulations promoting and enforcing the development, the manufacture, the processing and the use of the idle and wasting natural resources of the maritimes, such as timber limits now owned and controlled by a few and immobilized by them and going to waste. We ask for regulations controlling the exportation of raw products, such as pulpwood in an unprocessed and unmanufactured state. We ask for remedial measures to offset the ill effects on our economy in the maritimes of the St. Lawrence seaway project. We ask for loans for capital development. We ask for the immediate implementation of a public works program to build the Chignecto canal, and to provide better and more adequate shipping and terminal facilities at our ports, such as Saint John, Dalhousie and Campbellton. We ask the government to build year-around ports, such as at Jacquet River, to handle the ore coming from the new mining area near Bathurst. We ask you to build the long talked of Campbellton-Cross Point bridge. We ask you to erect new post offices. We ask you, the government of this country, to have the Canadian National Railways build new stations where needed, such as at Edmundston. We ask you to complete and to entirely pay for the trans-Canada highway in the maritimes.

There are those sitting across the floor of the house who may say, "Would you have us do more for the maritimes than we would do for central Canada?" I answer by saying, "Would you have this country continue indefinitely with one part prosperous and the maritimes in a continuous depression?" That is what is happening today.

The whole economic theory behind confederation was that we in the maritime provinces could profitably trade artificially east and west rather than trade naturally with our pre-confederation markets to the south. And when I see an appropriation like the $26 million voted to the Colombo plan to develop hydroelectric power in Pakistan, while on the same occasion the government refused even to endorse our loan and sign our note so we could borrow money cheaply to build the Beechwood project, I say it is time to have another look at a government that would do such things. I certainly invite my friends across the way who are members of the Liberal government to force the heads of their party to act, to move and do something while there is still time.

In speaking of the modest prosperity in central Canada, my attention was forcibly drawn the other day to the implication which resulted from the facts set out in the admirable speech of the hon. member for Rosetown-Biggar (Mr. Coldwell) that Canada is not really making progress.

I should like to commence my observation by addressing a few remarks to the Minister of National Health and Welfare. I should like to tell him how the people of my riding resent his inactivity and indifference in the manner in which he has been lately conducting the affairs of his department. I shall speak on the question of health in French, and I shall return to English afterwards.

(Translation):

I now turn to family allowances. I will concede that, when they were initiated—

Mr. Habel: Your leader opposed them.

Mr. Van Horne: That is not true. The basis used in setting the amounts of family allow-

ances was the cost of living in 1944 or 1945. Inasmuch as the cost of living in the meantime has almost doubled, will anyone suggest that, if this government were honest towards the Canadian nation, it would not consider it to be its duty to raise or even double family allowances.

I keep getting hundreds of letters urging me to express to the government the dissatisfaction of the Canadian people for this lack of honesty which prevents the government from recognizing its duty towards the mothers and children of this country by refusing to increase family allowances.

The same is true of disability pensions. As you know, one must be totally and permanently disabled to be entitled to such a pension. In other words, you have to be unconscious to get it, unconscious to keep it, and unless you walk about toting a coffin under your arm, you cannot draw that pension.

If that pension plan is supposed to help the disabled, should not the government recognize that the pension should be paid to anyone unable through illness to earn a living at his ordinary trade or occupation? You may say that, to a certain extent, it comes under provincial jurisdiction but every government and every Canadian knows that the Liberal government has everything to say when it comes to administration and regulations regarding disability pensions.

I would also like to mention our older men and women, who are forced to retire at 65.

Nothing stifles initiative and the joy of living so much as the realization that once you reach age 65 your services will no longer be in demand. We should protect our citizens who, after a long life of hard work, are anxious to work in order to retain their health and happiness. We must afford them the opportunity of taking up another occupation, if their health is adequate, and if they are anxious to continue to work. I am not claiming that they should continue in the same line of work as the one in which they were engaged throughout their life. Laws, however, should be passed to help them, since it is a great pity to see how the health of these men and women is affected immediately upon their retirement. Where would the Liberal party be today had the prime minister been forced to retire at 65, along with the other members of his cabinet? There would no longer be any party.

The general tendency within our industries is to enforce compulsory retirement at age 65. This affects not only the health of those who have to retire, but also the entire economy of the country.

I also wish to deal with the matter of old age pensions. I cannot understand the thinking of the Liberal party leaders as regards the means test. Under our laws, one has to be poor to be entitled to the pension, one must be very careful to stay poor to keep it, up to the age of 70. Not only must one be poor to obtain the pension, one must also stay poor to keep it. So, a man who worked hard all his life and managed to put something aside, either in the form of real estate or in cash, is penalized by the government for having had the foresight of saving his money, whereas the spendthrift is assured of the old age pension. I am convinced that my electors want the old age pension to be granted to anyone, without the means test, at the age of 65 and the amount raised to $60 a month. If the government had been loyal to the Canadian people, it would have raised the amount of this pension in accordance with the rise in the cost of living.

When, if ever, will the government wake up and give us a national health insurance plan? Is not the government ready to admit that, if Canada does not have today a health insurance plan, it is due precisely to its cowardice and complacency towards the Canadian people?

Is not the government ready to admit that, before handing out huge sums of money to foreign countries, allowing them to enjoy free medical care, it would be its duty to see to it that we, the people of Canada, have as much as the government is ready to give to the citizens of these foreign countries? Alas, for the past five years the Conservative opposition has been beseeching you to put in force immediately a national health insurance plan for our sick people.

Take the poor man with a family who has to live by the sweat of his brow—

An hon. Member: That hurts!

Mr. Van Horne: His chief worry is the thought that he would not have enough money to pay the hospital and doctor's bill if his children fall sick. When will the government recognize that, before giving over a billion dollars to Britain, it should give some to our

Canadian citizens? Is the Canadian government not ready to give as much to Canadian citizens as to foreigners from Europe—

(Text):

Mr. Lesage: Get a translation of this.

Mr. Trainor: It must be good.

Mr. Lesage: Say it in English.

Mr. Robichaud: Say it in English.

Mr. Lesage: Say it in English. Is this your party's policy?

Mr. Deputy Speaker: Order.

(Translation):

Mr. Van Horne: On behalf of all my fellow citizens, I urge the government to concern itself more actively also with the urgent question of mental health. Even our opponents from the other side of the house should concern themselves a little more with the achievement of things like that instead of coming to the house to make us waste our time.

The same thing applies to mental disease, as it does too to old age pensions or pensions to veterans. You are not doing your duty to the Canadian people, and you know it.

Of course, the hon. Minister of National Health and Welfare certainly is interested in the health of the people of this country, but I am unable to understand how it is that he is unable to convince the government that it should give the citizens of this country as much protection and assistance in the field of health as it does, for instance, to foreign countries.

Consequently, and to sum up my remarks, I request the immediate introduction by the government of legislation with a view to establishing a national health insurance plan, and also with a view to amending existing legislation so as to extend the old age pension to every person aged 65 without a means test.

Moreover I ask that this government help our hospitals that are now unable to collect more than 40 per cent of their bills because their patients cannot pay. I therefore believe that if the federal government does not want to help hospitals and does not want to do its duty by setting up a national health insurance plan, it should at least help hospitals that are unable to collect outstanding accounts.

(Text):

I would like also, Mr. Speaker, to speak about an organization which is working an injustice on the people of Canada; that is Central Mortgage and Housing Corporation.

An hon. Member: Your party voted for it.

Mr. Fleming: Be quiet; grow up.

Mr. Van Horne: In the United States they have an act called the national housing act. In Canada we have an act corresponding to it called the Central Mortgage and Housing Act. And it was none other than your own Mr. Bates who, in the May issue of *Canadian Business*, said that in the United States there is a lower down payment under their housing act than under ours and also there is a lower interest rate, namely 4½ per cent instead of 5 per cent. There is a longer amortization period, namely 30 years instead of 25. The United States give veterans a preference. They have no down payment to pay on a house. Furthermore the down payment is very much lower than the down payment required in Canada.

The biggest and the most unjust thing about this Central Mortgage and Housing Corporation legislation is that it refuses to recognize a mortgage loan on a house which is already built; that is, an older house or a house not built to Central Mortgage and Housing Corporation standards. What does that do? It prevents a fellow with an older house from selling it and getting fair value because he cannot get a mortgage loan that equals the mortgage loan that Central Mortgage gives on a newer house built to their standards. In other words, it is the same thing as if the government came along and put their hand in the pocket of a home owner and said, "We are going to take away this value from you, because we refuse to recognize the mortgage loan value of your house".

If the national housing act in the United States is able to recognize almost the same loan value on a house which is already built as on a new house, then why cannot the Canadian government do the same? The failure of the Central Mortgage and Housing Act to recognize a loan value and lend money on a house which is not built under the Central Mortgage and Housing rules is killing the value of the older houses, of houses not built to Central Mortgage and Housing standards. This stupid restriction is taking away value, like a man who puts his hand in your pocket and removes all the money. It takes away the equity which people have invested in homes that are not built under the Central Mortgage and Housing specifications.

In other words, some people in this country cannot build or buy a home of their own. Those people are denied the right to obtain a mortgage loan on their property under the Central Mortgage and Housing Corporation

Act. In the United States a family may purchase a home through this national housing act and maintain a mortgage on it which goes up to 90 per cent of the value of the house whether new or old. In Canada it must be a new house built under the Central Mortgage and Housing Corporation Act, and the down payment required is far more than the average citizen can afford to pay.

If these required amendments to the Central Mortgage and Housing Corporation Act to bring the act up to par with the national housing act in the United States and provide the same benefits were to mean the expenditures of large sums of money on the part of the Canadian government, I would say that possibly we should study the matter further. The government is denying countless thousands of Canadian citizens the chance to acquire a home.

I would also like to say a word, Mr. Speaker, in regard to agriculture. On November 8 I sent a telegram to the Minister of Agriculture saying:

Hon. James W. Gardiner,
Minister of Agriculture,
Ottawa, Ontario.

After careful study of urgent and deplorable problem of the potato farmers in the maritime provinces I urgently suggest and strongly recommend the immediate adoption of reciprocal tariff measures between the United States and Canada for importation of potatoes into Canada and the immediate adoption of a diversion program based on same lines and same prices as now in operation in the United States. The government is sitting down on the job in regard to the solution of the potato problem. The farmers need and require immediate action if disaster is to be averted.

I have not received any answer to that telegram, but as a result of the tremendous pressure which was put on the Minister of Agriculture finally at the eleventh hour he consented to give a little assistance, but it was too little and too late; it was not enough, and it did not solve anything. It did not get the potato farmer out of the plight in which he had found himself for three long, hard years. These farmers have seen their farms mortgaged to the hilt. They have had their backs against the wall, unable to carry on.

I ask the Minister of Agriculture why his government insists on selling butter to the communists at 37 cents a pound when the poor people of this country must pay 70 cents a pound for it. I ask him if that is right when there is so much utter poverty in Canada. The government seems to be worried about surpluses and where to store those surpluses, and this at a time when there is utter starvation in this country. Any hon. member can prove that to the government.

It was a pleasure during my campaign to know that the Minister of Transport was in my riding campaigning actively against me. His presence in my riding served a most useful purpose, for it drew attention to the fact that the Canadian government had for years without number neglected the transportation facilities of the maritime provinces and of my own riding in particular. I ask the Minister of Transport why he has not seen fit to provide year-round docking facilities at Jacquet River, New Brunswick, which would be a natural outlet for the production of the mines near Bathurst. This locality furnishes one of the best opportunities on the eastern seaboard for a year-round port. I understand that the minister did take time to investigate the pitiful condition into which the port of Dalhousie has been permitted to deteriorate.

The federal government is always so anxious to know how the St. Lawrence seaway will affect the United States, but it never concerns itself one bit with how it will affect the maritime provinces. The history of the past 20 years in the maritime provinces is one of complete disregard by the federal government of our economic problems. It is true that for many of those years we have had in the maritime provinces complacent, dormant and weak provincial Liberal governments. I remember well the Liberal convention of 1948 when Hon. John McNair requested the federal Liberal government of that time to do something for the maritimes. But that was all that was ever done by the Liberal governments in the maritimes in the way of acquainting the federal government with the problems that existed down there.

I should like to say a word about the Canadian National Railways. Mr. Donald Gordon has indicated in effect that he is out to wreck the unions of the C.N.R., and he is doing just exactly that. The Liberal government is standing idly by and permitting him to do it. It is also permitting Donald Gordon to make the C.N.R. unsafe. I recently investigated one case where an engineer and fireman were killed in an accident and I can assure you that the whole tragic accident was wrapped up in negligence and skulduggery and covering up on the part of the C.N.R.

Donald Gordon is wrecking the unions of the C.N.R. in another way. Maintenance and repair work in the shops is being given out to contractors, which means that employees who for long years have fought through their unions for whatever rights they now possess automatically lose all those rights the minute they are laid off and are rehired by the contractors to do maintenance work on the tracks or repair work in the shops.

According to information we have received from the union, as of May 1 next year all repair work in the shops will be done by

contract. That cuts out the unions entirely, and it does not give the men a chance. After having worked so hard to acquire these rights the employees of the C.N.R. should not have them taken away overnight. It is true that many of them will be hired by the contractors but it will be done without any question of the union, their rates of pay may even be reduced, there will be no overtime, and they will not have the benefits which they have obtained through years of negotiation with the C.N.R.

Recent events have served to prove how farseeing was the Leader of the Opposition (Mr. Drew) when years ago he foretold and stated publicly what the government should do for the employees of the C.N.R. in order that their rights might be recognized and their unions safeguarded. There is no question about it that today the C.N.R. is in the position where its employees are forced to take drastic action precisely because the federal government did not wish to recognize their rights. I see that my time is about up.

Some hon. Members: Go on.

Mr. Van Horne: I certainly feel that these remarks will not be brushed aside. I feel that I should make my debut by at least stating that I believe that after making this speech and after saying what we need in our part of the country, you will at least take the time to go down and see for yourselves that what I have said is true. If you do that and if you do something about these problems you will have the public support required.

I should like the Minister of Transport to come down to my riding once more because he was prejudiced when he was there the last time. Here is what happened. Every election time they get plans ready for a new station at Edmundston, but as soon as the election is over the plans go into the basket and then at the next election they start all over again. This has been going on now for 20 years, and frankly we do not like it.

In closing I want to say that I come up here to try to do a job. What we are after are results. You fellows can have all the credit as long as you give us results. Just come across with something for us. Build the Cross Point bridge, build the station at Edmundston; do these things, and we will tell you that you are a good group of fellows.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, like those who have preceded me in this debate I too at the outset should like to extend my congratulations to the mover and seconder of the address in reply to the speech from the throne. I want also to congratulate the right hon. Prime Minister (Mr. St. Laurent) and his cabinet upon their wise decision in selecting the experienced and most able member for Timiskaming (Mrs. Shipley) to move the address in reply to the speech from the throne. The choice was most appropriate as the speech advocated the introduction of a bill to provide that women shall receive pay equal to that paid to men for equal work in industries which are under federal jurisdiction. It was most logical that the hon. member, representing as she does the electors of a great constituency, speaking as one entitled to speak in the name of all the women of Canada, should be the first one to congratulate the government for another move in the right direction and for the adoption of a policy which will protect and widen the freedom of thought, speech and action for which all citizens of our great country are so grateful.

(Translation):

The seconder of the address (Mr. Laflamme) has clearly shown that the electors of the beautiful agricultural constituency of Bellechasse were well advised in sending him here as their worthy representative in the government of the country. The electors of that constituency may without fear increase the confidence they have placed in him at the by-election of last fall; his electors, the majority of whom practise the noble profession of farming, may rest assured that their interests are in good hands.

(Text):

It seems rather difficult to explain why the leader of the official opposition should classify the speech from the throne as uninformative and containing less information than any previous speeches from the throne. Anyone who reads the speech carefully—and this should include the hon. member who has just preceded me—will surely find more than the revision of two acts and the amendment of ten others.

Was the hon. member who has just spoken forecasting the policy now being formulated at his party's convention, which is being held at the present time in Ottawa? May I repeat in English in a very few words what he has said in French, for the immediate benefit of the few members of his party now sitting in this house? He asked the government of the country to double family allowances and to increase the old age pension to $60 per month without any means test. Is this a forecast of what is to be decided by the convention being held at the Chateau Laurier? I am sure the position of his party was quite different when the law was passed a few years ago introducing the family allowance in this country.

Anyone who reads the speech from the throne carefully will surely find much more

than has been presented to us for our consideration by the short amendment of the Leader of the Opposition. This government, which we on this side of the house are prepared and proud to support, has been a government which deals in action, a government ready to meet criticism and accept suggestions, a government whose past history will show that vigorous and searching inquiry has infallibly proven its trustworthy integrity and zealous devotion to the welfare, prosperity and freedom of a great nation.

How can a well-thinking representative of the Canadian people justify an accusation of indifference, inertia and lack of leadership in the face of serious national problems, against the present government of this country? Was it not a Liberal administration under the great leadership of Wiliam Lyon Mackenzie King that so wisely and so successfully administered the affairs of this country during the second world war? And today is not our country under the able leadership of our present Prime Minister, of whom all Canadians are so proud and from whom the free nations of the world are so earnestly seeking co-operation and advice?

Is Canada today not taking a leading role in the international field? Were we not ably and successfully represented when we had our Prime Minister touring the world on a mission of peace and good will? Are we indifferent when we have men like our present minister of external affairs, our ministers of national health and welfare, of trade and commerce and of labour, or others, leading our Canadian delegations at Geneva and at NATO meetings, or in our determination to ensure a lasting peace for the free nations of the world? Are we so indifferent and can we be rightfully accused of inertia when our country's economy, under the present administration, is constantly increasing and, within an over-all climate of political and economic freedom, reaching records never dreamed of by our present generation? Are we inactive, and is our Central Mortgage and Housing Corporation Act inefficient, when our construction of new homes reaches the fabulous figure of 130,000 units in a single year and when our construction program exceeds $5 billion in the same year?

The Leader of the Opposition was right for once when he said:

> I do not for a moment suggest that I expect the Liberal members of this house to vote for the short amendment that I shall present.

It is true to say that we have to face serious national problems, but I want to express my complete disagreement with the mover of the amendment when he says that the advisers of Her Majesty lack leadership in facing such problems.

A growing and progressive country like Canada is bound to be faced from time to time with problems of a serious and national nature. In fact some of these problems are mentioned in the speech from the throne and these, I might add, are not included in the revision of the two acts and the amendments to ten others which have caught the attention of the opposition. Canada is today playing a prominent role and contributing a substantial portion of its resources to the maintenance of armaments and the assurance of peace in the world.

In facing our national problems, it has been the aim of our government to maintain a Canadian unity; unity among our population from coast to coast, as well as unity in our economy. We from the maritime provinces, who for so long have been referred to as originating from what have been called "have-not" provinces, have always consented to any major policy which could contribute to the benefit and welfare of our great nation. We realize that to achieve and to maintain this economic unity and stability, the farmer in the prairie provinces as well as the labourer in Ontario and Quebec must be provided with earning facilities which are inherent in a healthy and sound national economy.

We realize that we have to face with broadminded views the problems confronting the wheat farmers in the west and the difficulties arising from the diversified industries of the central provinces. We disregard any parochial or sectional attitude which could paralyse or even delay the march of progress and development of this great nation, a democratic country where peace and freedom may reign forever. We support assistance to the wheat farmer, the construction of the St. Lawrence seaway, and the participation of our government in the financing of the trans-Canada pipe line. We accept, although with some reluctance at times, the centralization of those numerous industries necessary to maintain our vast production program for defence purposes.

However, allow me to say that we from the maritimes—and this would apply more so to us from New Brunswick, and particularly to my constituency of Gloucester—have about reached what we could call a saturation point. The days have gone by when we wish to be called beggars or "have-not" provinces. We have at our front door the vast resources and the richness of the Atlantic ocean. We have in New Brunswick over 15 million acres of productive forests, further implemented by soil and climatic conditions excellent for natural reproduction. This can be a most valuable asset to a large percentage of our population provided, however,

that our lumbermen are assured a fair deal and that lumber dealers are prepared to pay a reasonable and profitable price to those participating in this industry.

The recent discoveries of lead, zinc, copper and silver ore, chiefly in the northern and northeastern parts of the province, are most important to our economic future. In my own constituency of Gloucester, the town of Bathurst, the centre of this great development, whose population has increased by 48 per cent in the last 15 years, could easily be called upon to double its present population within the next three to five years. In fact it is in most urgent need of a public building to house the personnel of various government departments, and its citizens have warmly welcomed the recent announcement of the Minister of Public Works (Mr. Winters) respecting the construction of a new structure at the earliest possible date. I sincerely hope that the Minister of Public Works will include in this year's estimates a sufficient appropriation to proceed without delay with the construction of this most urgently needed public building. At a later opportunity this session I intend to stress the urgency of proper improvements to shipping facilities for the port of Bathurst.

I have just said that we have in the maritime provinces vast natural resources of the sea and the soil which could assure our population their rightful participation in the general economy of the country. This participation in the welfare of the entire nation has been assured us by confederation. Unfortunately our geographical position, our limited population and our competitive transportation problems have had the ill effect of weakening the links of this union of provinces created by the Canadian confederation.

I do not want at this particular time to elaborate on the need of future developments in our fishing industry. I expect also to have the opportunity to discuss this vital question at a future date during this session. However, I must say that we are amazed to learn from reports originating from scientists of the fisheries research board that we have in our gulf of St. Lawrence waters one of the largest potential herring fisheries in the world, and to see that our Atlantic coast fishermen are still using the outmoded and obsolete methods of their forefathers to catch this particular type of fish. If we are to reap the harvest of the sea and maintain a flourishing industry, the federal Department of Fisheries must activate its research program without delay and at the same time make it more practical and accessible to the average fisherman.

We all realize that all power resources as well as raw materials that can be taken from the soil are the property of the provinces. Our Prime Minister said, when addressing the federal-provincial conference last fall, and repeated in the house as found at page 49 of *Hansard* of January 12:

> . . . we felt that parliament should not provide for sharing in the cost of provincial projects except in special circumstances and as part of a policy which we could justify on national grounds.

The discovery of large deposits of lead, zinc, copper and silver in the Bathurst-Newcastle area of New Brunswick, which has occurred in the last few years, can be considered as one of the most important events in the economic life of our province since confederation. Preliminary surveys have indicated that mining costs will be relatively low, and the deposits being within easy reach of water, shipping facilities are well situated from the standpoint of world markets. We know, however, and I must repeat, that the key to the future development of these mines is the provision of large supplies of relatively cheap electric power. When such an opportunity is offered to a section of the country which has been seriously and adversely affected by faith in the union of confederation, we of the maritime provinces must insist on the restoration of these differentials which could rectify the ill effects of the union.

The capital investment required to provide our potential industries with relatively cheap power is tremendous and, furthermore, we are deprived by nature of the numerous flows of water from the far north which are generating power so abundantly for industries of the central provinces. A project known as Beechwood is now under way on the Saint John river which will provide—I would have liked the hon. member who has just spoken to hear this—barely enough power to supply the normal requirements of an increasing growth in the demand for domestic consumption and small industries. The undertaking of an over-all program which would include the entire Saint John river system would involve the province of Quebec and the state of Maine.

The development of the hydroelectric power potential of an international river valley system, like the Saint John river in New Brunswick, presents problems of great complexity and beyond the financial capacity of a small province like New Brunswick. It is our belief that the development of such projects should be undertaken under the joint auspices of the provincial governments concerned and the federal government. Otherwise a province may have to alienate a portion of its resources to the United States in order to obtain the necessary funds for hydroelectric power

development. In such a case I cannot help but remind the house that there exists a policy of the federal government which affects in many ways, both directly and indirectly, the conservation and utilization of Canada's natural resources.

If we are to participate in the strengthening of the Canadian economy as a whole, if we are to benefit from this economic growth and are not to be regarded as a burden or a weak link in the Canadian confederation, we must insist that the federal government establish a policy to assist our province or other provinces in essential natural resource development. Is New Brunswick to become an exporter of its newly found raw materials for the benefit of other countries, or are we in a position to assure the citizens of Canada that the possible new industries to be derived from these discoveries are not to settle beyond the borders of the province or the dominion?

Yes, if we want this assurance it is the duty of our governments to provide these mining companies with relatively cheap power, thus giving for the future that balanced economy so earnestly desired by our entire population.

On motion of Mr. Robichaud the debate was adjourned.

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

HOUSE OF COMMONS

Tuesday, January 17, 1956

The house met at eleven o'clock.

EXTERNAL AFFAIRS

CHINA—RECOGNITION OF PEKING AS DE FACTO GOVERNMENT

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Secretary of State for External Affairs? Can the minister say whether or not the government has given further consideration to recognizing the Peking government as the *de facto* government of China?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the government is giving, and will continue to give, careful consideration to this important question, as it does to all important diplomatic developments.

STATEMENT ON REPORTED SHIPMENT OF AIRCRAFT TO EGYPT

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Recently there have been two questions asked by hon. members opposite which dealt with the export of military equipment from Canada. The questions concerned at least three departments of the Canadian government, but possibly I may try to answer them now.

Last Wednesday the hon. member for Winnipeg North (Mr. Stewart) asked the following question:

> Have any aircraft been shipped from Canada to Egypt recently, or are there any orders on hand for the export of such aircraft?

If by "recently" the hon. member meant, as I assume he meant, during the last few months when there have been disturbing developments in the Middle East, there have been no such orders received for the export of aircraft to Egypt. However, early last summer it was agreed after consideration to issue a permit, in consequence of an order received, for the export from Canada to Egypt of 15 reconditioned Harvard training aircraft of world war II vintage. These are, of course, not combat aircraft. My information is that up to the present only a small part of this order—three aircraft, I believe—has been shipped.

I might add a word on the general policy regarding the export of arms from this country. Such export is controlled under the Export and Import Permits Act, 1954. Applications for permission to export military equipment are considered by the departments of external affairs, trade and commerce and national defence in consultation, before permission is granted or refused.

In considering such applications we recognize, as does the United Nations charter, that all countries have the right of legitimate self-defence. To exercise this right means in practice, of course, that they are entitled to maintain military establishments for that purpose and to make or buy weapons to equip them. While our sales of military equipment are necessarily on a very modest scale, we are prepared, as are other countries, to export weapons, but only subject to certain considerations which I might outline briefly.

As a general rule the government's policy re export of military equipment varies with the circumstances and with the destination of the shipments. Thus, arms are exported fairly freely to NATO and to commonwealth countries. None may be sold to countries of the Soviet bloc. Shipments to areas of unrest or possible local conflict are either refused or limited and, in the latter case, allowed only after the closest scrutiny to ensure that such sales do not exceed the legitimate defensive needs of such countries or constitute themselves a threat to neighbouring countries.

By and large, the government follows in this matter policies similar to those of the United Kingdom and the United States in respect of most areas and in all appropriate cases we consult with those governments in respect of requests received for military equipment.

REPORTED EXPORT OF MILITARY EQUIPMENT

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in reply to the question addressed yesterday by the hon. member for Esquimalt-Saanich (Mr. Pearkes) to my colleague the Minister of National Defence (Mr. Campney) concerning the ship *Star of Assuan,* I am informed that the *Star of Assuan,* which sailed from Halifax during

the week end, carried the following mutual aid material and equipment for Turkey, Greece and Portugal:

36 world war II artillery tractors and spares for Turkey. These tractors are four-wheel drive trucks and do not carry guns.

32 4·7 naval guns with spares and ancillaries for Turkey.

Spares for electronic equipment and for aircraft for Turkey, Greece and Portugal.

These mutual aid items, which were made available by the Canadian government, were allocated by the standing group of NATO and were shipped on a bill of lading arranged in the usual way by the Canadian maritime commission on the *Star of Assuan*.

The whole matter constituted an entirely normal NATO arrangement for the provision by Canada of mutual aid to our allies Greece, Turkey and Portugal.

The ship also carried the three Harvard aircraft for Egypt to which I referred earlier.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, may I ask a supplementary question. I wonder if the minister could find out and tell us for our information if these non-combat planes were fitted with gun mountings and in any event how far have they been stripped down.

Mr. Pearson: I shall try to secure that information but I do not know how you could put a gun mounting on a Harvard training aircraft.

INQUIRY AS TO POSSIBLE VISIT OF MINISTER TO ISRAEL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in view of the seriousness of the situation in the Middle East, can the minister give a statement to the house and the country on this situation, and would he also indicate his attitude to a request which has become somewhat general that in view of his visit last fall to Egypt and in order to equalize Canada's position in the Middle East he give consideration also to visiting Israel?

Hon. L. B. Pearson (Secretary of State for External Affairs): I shall be glad to deal with both these matters when an opportunity arises for a debate on external affairs.

NATIONAL DEFENCE

USE OF HELICOPTERS IN AIR-SEA RESCUE SERVICE

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, last Thursday the hon. member for Esquimalt-Saanich (Mr. Pearkes) inquired with respect to the provision of helicopter service for search and rescue work on the west coast.

[Mr. Pearson.]

In reply, I may say I find that for some time past one helicopter has normally been attached to the Royal Canadian Air Force search and rescue unit at Sea island near Vancouver. It is there now and is expected to remain there continuously to carry out search and rescue duties as and when required.

Mr. Fraser (Peterborough): May I ask a supplementary question? How many helicopters has the Royal Canadian Navy at the present time?

Mr. Campney: I cannot answer offhand how many helicopters the Royal Canadian Navy has at the moment; I will find out for my hon. friend.

OLD AGE PENSIONS

INQUIRY AS TO SETTING UP OF SPECIAL COMMITTEE TO CONSIDER INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? In view of the minister's statement yesterday that the government pays some attention to reports of parliamentary committees, will he recommend the appointment of a special committee to consider recommending an increase in the amount of the old age pension in accordance with the increase in the gross national product since 1949 when the present figure of $40 a month was set?

Hon. Paul Martin (Minister of National Health and Welfare): My hon. friend, who is a very good parliamentarian, knows as well as I do that before a minister can indicate to the house his intentions they must be communicated first of all to his colleagues in the government. I would be expected, of course, to observe that practice.

But seriously I may tell my hon. friend that I believe that at the beginning of the session I should say to him in a friendly way, in view of his interest in these questions, that he ought to appreciate the position that the administration finds itself in in these matters. Yesterday I indicated that we are having a conference with the provinces on January 23 to discuss the question of health insurance, a question of great interest to this country and one involving the expenditure of considerable sums of money.

I believe my hon. friend ought to place himself in the position in which the government, in these matters, seeks to place itself. I should like, finally, to say that I regard the old age security program—while the $40 may not be as much as all of us would like

to see—on balance, as representing the most generous old age security system of any country in the world. A further consideration is that it is the only old age security system in the world that at the age of 70 provides a non-means-test arrangement. When my hon. friend seeks to prod me, and I do not mind it because I know he does it in a kindly way, I think in fairness he ought to temper his attitude and be a little more responsible in the interrogations he puts day after day.

Mr. Knowles: May I ask the minister a supplementary question? Is he aware of the fact that since the present figure of $40 was set the gross national product has gone up by over 60 per cent?

Mr. Martin: Yes, I am aware of the fact. I am aware as well that under this system more than 700,000 Canadians are receiving old age security benefits, and the fact that the cost of living goes up and goes down does not alter the fact that—

Mr. Cameron (Nanaimo): When did it go down last?

Mr. Martin: It went down last year, for my hon. friend's information. I should like again to impress upon my hon. friend that we have an old age security system of which we need not be ashamed.

Mr. Knowles: That is not the view of those who are trying to live on it.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO DISCUSSION OF NEW TAX PROPOSALS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister. Can he say whether another federal-provincial conference will be held to discuss the latest tax proposals, in the hope that a satisfactory arrangement can be arrived at?

Right Hon. L. S. St. Laurent (Prime Minister): There has been no decision made in that regard, Mr. Speaker.

GRAIN

WHEAT—INQUIRY AS TO LEGISLATION ON MARKETING

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, may I address a question to the right hon. Minister of Trade and Commerce. I have not given the minister notice of this question but I hope he will take this as such notice.

In view of the minister's failure yesterday to deal with the two-price system of wheat marketing, as requested by the pools and farm union organizations, can we assume that the government plans on introducing such legislation at this session of parliament?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government has considered various proposals put forward by organizations in the prairies, among them the two-price system. We decided on other plans that achieved the same purpose. We considered the two-price system, but we decided instead to give help on storage of grain owned by the wheat board. It is not the intention to proceed further with the two-price system.

UNEMPLOYMENT INSURANCE

REPORTED ROBBERY AT OSHAWA OFFICE OF COMMISSION

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I intended to direct this question to the Minister of Labour, but in his absence the Minister of Finance might possibly answer the question. Are there any further developments regarding the robbery yesterday at Oshawa involving unemployment funds?

The second question is this. Is it the standard practice to pay unemployment insurance funds in cash?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I regret to say that I am not familiar with what occurred in Oshawa yesterday and I shall have to get an answer. Perhaps the Minister of Labour could make it on his return.

FISHERIES

JUAN DE FUCA STRAIT—STATEMENT AS TO CLOSURE OF SOCKEYE SALMON FISHING ON CANADIAN SIDE

On the orders of the day:

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, the hon. member for Esquimalt-Saanich (Mr. Pearkes) yesterday directed to me the following question:

> Does the government propose to enforce closure on the sockeye salmon fishing on the Canadian side of the strait of Juan de Fuca this year? If so, what steps are being taken to ensure that Canadian fishermen are assured of their fair share of the catch?

To the first part of the question the answer is that sockeye salmon fishing in the strait of Juan de Fuca is regulated by the international sockeye salmon commission. The government is only called upon to enforce the regulations adopted in accordance with the authority invested in the commission under the sockeye salmon convention between Canada and the United States.

The commission is composed of three representatives from each country, and no regulation can be adopted unless it is voted affirmatively by at least two commissioners from each country.

No regulation of a nature referred to by the hon. member has been adopted by the commission.

To the second part of the question the answer is that the same convention provides for an equal division in so far as possible of the catch between the fishermen of Canada and the United States. In the past this provision of the convention has been given due effect by the commission in adopting any regulations, and there is no reason to think that the commission would propose to adopt any regulation in the future which would have a different effect.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, might I ask a supplementary question? Could the parliamentary assistant inform me as to the date of the next sitting of the commission?

Mr. MacNaught: Saturday of this week.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 16, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, before the house adjourned last evening, I advocated that it was the duty of the government to provide our mining companies with relatively cheap power, which is the key to a balanced economy for the future, so earnestly desired by our entire Canadian population. Should it be found that a full-scale development of the Saint John river is not the logical answer to our power problem in New Brunswick, we have other alternatives to offer. Hydroelectric alone may not be sufficient to supply New Brunswick's industries with their power requirements. Construction of high pressure steam electric plants using large turbine generators will have to compensate for our limited sources of water supply available for generating power. We have in New Brunswick, and more so in Nova Scotia, huge coal deposits which could be used advantageously for generating power provided its production cost could be reduced and assurance of low cost money could be provided during the initial stage of development.

I do not advocate a give-away policy by any government whether federal or provincial, but this may be a case where the federal government would be well advised to subsidize as a maritime project the water transportation of coal from the Cape Breton coal mines to a large generating plant located somewhere along the northeastern shore of New Brunswick. After all, is not the federal government actually subsidizing the transportation of coal to a maximum of $2.50 per ton for straight all-rail movement to points in central Canada, and this for the benefit of local industries there? I feel quite confident that if the government were prepared to subsidize the transportation of coal to a large generating plant located in the mining area of northern New Brunswick to an amount equal to $2.50 per ton the cost of generating power could be reduced to a level acceptable to our mining industries.

Canadian National Railways now have under construction a new line which will cost over $35 million to serve the mining district of Chibougamau. Would it not be logical to ask the federal government to do as much to assure the development of New Brunswick mining resources by helping to finance power generating plants? I must also not disregard the major role which will be played by atomic energy in the future of our economic growth and expansion. We should have soon, even now, the assurance from the Minister of Trade and Commerce (Mr. Howe) that the first practical atomic reactor to be used to produce electric energy for commercial purposes in Canada will be built in New Brunswick. This assurance would be a stimulant to our mining companies which are now investing millions of dollars and would give hope of retaining in New Brunswick the milling, refining and complete utilization of sulphur and other associated chemical industries which would necessarily follow.

The sharing or participation of the federal government in the cost of financing an adequate source of power for New Brunswick's mining industries should be regarded as a special circumstance and as part of a policy which can be justified on national grounds. Such a decision will strengthen our entire economy and provide the balanced rate of economic growth within Canada which is essential to assure unity in our population and unity in our economy.

I realize that the hon. member who preceded me last night is far from being satisfied with the policy adopted by the present government in order to help the New Brunswick potato farmers—

Mr. Van Horne: That is right.

Mr. Robichaud: —in disposing of their crop.

Mr. Van Horne: That is very true, sir.

Mr. Robichaud: It may be true that the price offered is lower by far than the $5 per barrel promised to the farmers of his constituency by the hon. member during his election campaign last fall.

Mr. Van Horne: That is wrong, sir. You are a liar.* That is not correct.

Mr. Robichaud: It is correct. Every farm had a poster out in front of it with the candidate's name on it and promising $5 per barrel for potatoes. The hon. member is asking the federal government to build the Cross Point-Campbellton bridge. The hon. member should be made aware that last March the Minister of Public Works (Mr. Winters) made an announcement in the house to the effect that the federal government would pay its share of the construction of this interprovincial bridge.

The hon. member should address his request to the government of the province of Quebec and to the premier of New Brunswick and ask them if they are prepared to come across with their share of the project as they promised so often before the federal Minister of Public Works (Mr. Winters) made the announcement that the federal government was prepared to pay its share.

Mr. Ferguson: It does not hurt to lose his seat. Of all the cry-babies I have ever heard, the hon. member is the worst.

Mr. Speaker: Order.

Mr. Robichaud: The hon. member will have his opportunity to make his speech.

Mr. Ferguson: I have it now.

Mr. Robichaud: When the hon. member accused our able Minister of National Health and Welfare (Mr. Martin) of inactivity and indifference in the manner in which he lately has been conducting the affairs of his department, was he really sincere and was he aware of the fact that under his leadership and guidance his department is spending over one billion dollars a year of the Canadian taxpayers' money for the welfare of the Canadian people? Is he aware of the fact that in order to double family allowances, the Canadian taxpayers would have to pay an extra $380 million a year and that in order to increase the old age pension by $20 a month another $180 million would have to be appropriated? He should tell us if his leader and the other members of his party are prepared to advocate this additional expenditure of $560 million to be added to the burden of the already heavily taxed Canadian taxpayer.

The hon. member mentioned additional help for mental hospitals. Is he aware of the fact that the federal government has contributed over $1 million to build a new mental hospital in his own town of Campbellton? I would say that our present Minister of National Health and Welfare is well aware of the needs of the citizens of Canada. A matter of great importance, as the minister just stated a few moments ago, namely the establishment of a health insurance policy, is now under serious study. I am confident that the Canadian public would prefer to see the implementation of this welfare legislation rather than the doubling of family allowances.

Mr. Brooks: Did the Minister of National Health and Welfare write your speech?

Mr. Robichaud: Was the hon. member expressing the policy of his party when he said in French last night—and he was careful to say it in French so that even the members of his own party could not follow him too closely—as follows, as reported at page 176 of *Hansard*:

(*Translation*):

When will the government recognize that, before giving over a billion dollars to England, it should give something to Canadian citizens?

(*Text*):

Such nonsensical, exaggerated and wild statements may pass unnoticed in an election campaign but not before this House of Commons.

Mr. Van Horne: I rise on a question of privilege.

Mr. Robichaud: You had your chance last night.

Mr. Speaker: Order. Would the hon. member who has the floor please address himself to the chair? At this juncture I understand that the hon. member for Restigouche-Madawaska (Mr. Van Horne) is rising on a question of privelege. Will he be kind enough to state his question of privelege?

Mr. Van Horne: Is this the hon. member who is known in New Brunswick as the fellow who is always asleep in the house?

Some hon. Members: Sit down.

Mr. Robichaud: Last night the hon. member asked for regulations promoting and enforcing the development, the manufacture, the processing and the use of the idle and wasting natural resources of the maritimes such as timber limits now owned and controlled by a few, immobilized by them and going to waste. He asked for regulations controlling the exportation of raw products such as pulpwood in an unprocessed and unmanufactured state.

**See also* pages 225-26.

I would remind the hon. member that crown lands are strictly under provincial jurisdiction, and that he should direct his request again to the government of New Brunswick, with whom he is so closely related.

(Translation):

Before resuming my seat, Mr. Speaker, I would like to bring to the attention of the house an unfortunate situation which affects a large number of electors in my constituency and more particularly the 6,000 residents of Shippigan and Miscou islands. As I stated before the house last year, those residents are served by a ferry during the shipping season but, in the wintertime, their only means of communication is an ice bridge.

I understand that the construction of a bridge between Shippigan island and the mainland is primarily a provincial responsibility. The provincial authorities might have already undertaken the erection of that bridge had not the cost of the work been greatly increased due to the fact that a navigation channel must be left free to enable the fishing boats of the district to go to their fishing grounds. However since the maintenance of navigable waters comes under federal jurisdiction, I think that the Department of Transport or the Department of Public Works would be justified in sharing in the construction of that bridge.

Those of us who live in the district are aware of the difficulties and hardships of those islanders, especially during the period preceding the formation of the ice bridge between the island and the mainland. On December 9 last, the ferry boat was seriously damaged and it was only a month later that service could be half restored.

I must say that hundreds of residents of Shippigan island volunteered their services and worked long hours without pay to cut the ice and open a channel that would enable the ferry to resume operations. All this time, the islanders were without coal or fuel oil and, in many cases, lacked essential supplies. There was, too, the sad spectacle of sick people being transported in men-drawn sleds across treacherous ice for emergency hospital treatment on the mainland.

During the holiday season, there was a delay of five or six days before mail could be delivered to the various post offices on those two islands. Their residents rely essentially, for their livelihood, on the fishing industry and on field moss. Huge quantities of fish and moss ready for shipment could not be shipped owing to the lack of transportation; the economy of that area was therefore seriously affected.

I am not in a position to confirm whether the New Brunswick provincial authorities called on the federal government to invite them to share in the construction of a bridge between Shippigan island and the mainland. Under normal conditions, this construction would be essentially a provincial matter but, as I mentioned earlier, since the cost of that construction is substantially increased on account of navigation, I believe that the federal government should take part in that project.

May I express here my appreciation to the Minister of Public Works (Mr. Winters) for the co-operation given us by his department for the improvement of facilities in the fishing centres of Gloucester county. However, I regret that, so far, we have been unable to get a favourable decision for some improvements to the docks of Maisonnette and for the construction of a wharf at Petite-Rivière-de-l'Île. I realize that these two fishing centres have difficulties which are embarrassing enough and hard to solve for the departmental engineers but I still think that the Department of Public Works should be in a position to meet these problems and to give its early approval to these two projects. The residents of those two centres are fishermen first and foremost and have no other means of providing a living for their families. It is not reasonable to expect them to continue operating in such conditions? Those good fishermen deserve more favourable consideration on the part of the federal authorities.

I would not like to resume my seat without asking the Minister of Labour (Mr. Gregg) to give favourable consideration to a revision of the new Unemployment Insurance Act with a view to extending its benefits to this large number of seasonal workers at present excluded from its provisions. I also support the request made by the hon. member for Trinity-Conception (Mr. Stick) and express the wish that these fishermen may be allowed to come in under this legislation as soon as possible.

(Text):

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I cannot hope to emulate the enthusiasm of both hon. gentlemen from New Brunswick.

One thing I did notice—and I would congratulate them upon it—is that they are so perfectly bilingual it must be convenient at times to call each other names in either language.

As most hon. members know, I come from a city constituency. The members of my group who have spoken up to the moment have come from rural constituencies, and they are concerned with the question of wheat and its marketing. Since I come from a city which is in the centre of the wheat country, a city whose reason for existence is service to the farmers who live in that wheat country, and whose livelihood depends on the prosperity of the farmers in that country, I shall make no apology for trying to reflect some of the opinions that are being expressed in and around my city. Even our industries are geared to farming, because there we have great storage elevators. The dominion government has a storage elevator there. We have flour mills, packing plants, a vegetable oil extracting factory, and so on. Therefore, we are dependent upon agriculture, which is all around us. This is acknowledged, of course, by other people, even by labour, who have passed resolutions in regard to the question of farm advances upon stored grain. They, if their resolutions are any indication, are almost as anxious about the question as the farmers themselves.

I hold in my hand a copy of a report which says that Mr. F. W. McClelland, president of the Saskatoon and district labour council, issued a statement deploring the tie-up of grain. He said that it was giving his organization serious worry. This, he says, is a very serious situation, as lack of money in the farmers' pockets means not only hardship for the farmers, but also reduces business for businessmen and industry, and results at times in labour lay-offs. This is the meat of the resolution that was passed. It asks that the government guarantee cash advances to farmers on grain stored upon the farms; so much for the opinion of labour.

One might have thought that perhaps the pronouncements of the government and the pronouncement of the Minister of Trade and Commerce (Mr. Howe), and the fact that certain legislation was on the order paper by way of the speech from the throne, might have stilled, as it were, the controversy that is taking place. But I hold in my hand the issue of the *Star-Phoenix* of January 11, which was printed after the contents of the speech from the throne were known. It contains a picture of an assembly of people and says that more than 500 persons crowded into convocation hall of the university Tuesday afternoon to hear a panel discuss Canada's grain marketing difficulties. This grain marketing problem, of course, is a long-term one.

Apart from the need of getting money immediately into the hands of farmers, the Minister of Trade and Commerce yesterday morning dealt with some of the western demands—I think I should say the C.C.F. demands also because what we have advocated has been much in line with what the farmers themselves are advocating in the west. To remind you of them, sir, I wish to read a few of them. Immediate advance payments are recommended; use of barter trade where that is practical, and would not interfere with labour in this country. The acceptance of sterling and other soft currency programs for assistance to underprivileged nations should be stepped up and increased, and we should have a more efficient staff of salesmen for Canadian wheat throughout the world.

The minister dealt with some or perhaps all of those points yesterday. I was going to comment that he had not mentioned, for I had noticed it too, the matter of a proposed differential between the domestic and the export price. But my hon. friend the member for Humboldt-Melfort (Mr. Bryson) raised the point this morning, and the minister has made his comments on that, so I will not need to deal with it.

While I am not a technical expert, we are fortunate in this group in having one or two young men who are themselves graduates in agriculture who are themselves farmers, and who are particularly interested in the question now before the house and the country, men who have made a close study of figures and statistics. That is not in my line, so I shall refrain from trying to do it.

I would like to comment on the general attitude of the Minister of Trade and Commerce (Mr. Howe). He said that he was at a meeting or two in the west and I think he mentioned Edmonton, perhaps, in particular. He did mention the meeting of wheat pool delegates in convention at the city of Regina. He spoke there on one day and he said he had heard the delegates there did favour the resolution on advance payments. I think he played this down, a resolution which favoured advances on farm-stored grain; a resolution which, may I say, is endorsed practically unanimously in the west. I am talking now about farmers irrespective of their political opinions on other matters.

As to this playing down, and as to the assertion by the minister that there is a lack of unanimity and that sort of thing, what are the facts? Well, as for the playing down of

the wheat pool resolution, one cannot do that very well. It has been attempted before. Now I am not mentioning this politically at all but it did happen. It was Mr. McDonald, who leads the Liberal party in Saskatchewan, who asserted that the result of the wheat pool convention was that the delegates were quite in agreement with what the government was doing. The wheat pool hastened, through some of its officers, I know not who, to deny that particular assertion, and so it was obvious that Mr. McDonald had been either misinformed or misquoted. The statement put out by the wheat pool says:

> Over the years, the policy of the wheat pool organization is laid down by the delegates in annual meeting. When the pool delegates convened for the 31st annual meeting on November 1, the regular order of business was suspended—

They must have thought it pretty important.

> —in order to undertake a special discussion on the emergency situation in farm finance.

Then there followed a complete discussion of the whole situation and the delegates passed a resolution as follows:

> That we urge the government of Canada to make immediate provision for advances to farmers on farm-stored grain.

They did pass other resolutions. I do not think I need to give them to the house. I have no intention of cutting that one out from the other resolutions, and if anyone wishes I shall be pleased to read them. I skip a bit and go on:

> The policy of the Saskatchewan wheat pool, as approved by its delegates in annual meeting, is clear-cut.

Then, I have underlined this.

> It does not favour the government's proposal for bank loans.

Well, so far as playing down the decision of the wheat pool delegates is concerned, I think I have given the answer. As well as those meetings attended by the minister and by other members, I am sure by Liberal members of this house, there were other meetings. As a matter of fact there were hundreds of meetings. I can mention the meeting at Regina where my genial friend the hon. member for Qu'Appelle (Mr. Mang) was debating with the hon. member for Assiniboia (Mr. Argue), and may I say that my sympathy in that case was with the hon. member for Qu'Appelle, irrespective of what the subject was.

However, if the Minister of Trade and Commerce wants any information as to the real feeling at that particular meeting, he can certainly get it in detail from the hon. member for Qu'Appelle, who, I am sure, would admit the almost unanimous support for cash advances there. Then there was the farm conference at Saskatoon, and I have the minutes of the meeting before me, but I will not weary you with them. I see across from me the hon. member for Rosthern (Mr. Tucker). You may be sure if the Minister of Trade and Commerce wants a correct analysis of the opinion of that meeting, he could get it from the hon. member for Rosthern. The meeting at Saskatoon, was billed as a farm conference but it was not exactly that, because it was made up of representatives for various organizations, representatives of the grain trade for example. Some of the ministers of agriculture, I think from Manitoba and Saskatchewan, were there. I do not think the minister of agriculture for Alberta was there. The co-operatives were represented, school trustees and labour and so on. Numerous resolutions were passed.

Let me read you one that stands out. I am quoting, Mr. Speaker, from the *Co-operative Consumer* of October 7. This resolution was, I think, the main resolution at the conference:

> . . . the conference urged the federal government to make immediate provision for advances to farmers on grain they had in store up to the value of one-half the normal delivery expected.

Then it makes some provisions as to how these advances should be paid and so forth. Skipping a little bit, further down it says:

> It was also stressed that this was an advance and not a loan.

Well, that was the farm conference at Saskatoon. I do not think there is any doubt about what those people thought about what the government should do. I did not intend to mention what follows but I happened to see it, in the same paper. I might say the co-operatives in our province are playing a more and more potent and meaningful role in public life. I have here a copy of a night letter to the Prime Minister (Mr. St. Laurent) from George Urwin, president of the Federated Co-operatives Limited, in which he says:

> Respectfully suggest prompt action on request from conference of representatives from all sections of our economy concluded in Saskatoon yesterday. Lack of purchasing power through inability to market grain causing severe hardship which can only be remedied by immediate action by your government in respect to the requests of the conference.

There is not much hesitancy or doubt there about what those people at Saskatoon asked for and really wanted despite the fact that the Minister of Trade and Commerce plays down those requests, and says they were not unanimous. He says there was a difference of opinion among those farmers as to what they actually wanted. Now an immediate

result of that conference at Saskatoon was that a delegation from that conference was sent here to Ottawa. There, I think, was one place where the minister got his idea there was a lack of unanimity. I have already explained that conference consisted not of farmers alone but a wide representation of other interests in addition.

Now in a case like that the only kind of resolution you can get passed is a resolution which will compel unanimity. When this delegation came to Ottawa and presented its resolutions, there was a storm of anger among the farmers in the west. Some of them said the delegation had scuttled the Saskatchewan conference and it was a milk and water affair that was presented to the government. As far as the farmers of that conference were concerned, they were very irascible indeed about the alleged neglect of that particular delegation to press home the point which the farmers wanted to make. I think that explains to some extent why that delegation was not as forceful as it might have been.

Yesterday the minister linked up the C.C.F. with these particular resolutions, but I may say that it is not particularly a C.C.F. business. Liberal farmers are just as concerned as other people. It is interesting to note that the Liberal association of Saskatoon made quite a point of the interest being too high. One gentleman attending that meeting was quite indignant and said that the 5½ per cent rate was exorbitant when the Canadian wheat board could borrow money at 3½ per cent. At that time they did not know whether the rate would be 5 or 5½ per cent. Those are not my words, they are the words of a member of the local Liberal association. Another speaker was very critical of the Minister of Trade and Commerce (Mr. Howe) for not, and so on and so forth.

I do not know whether there was any significance in this, but that particular meeting of the association was called to appoint officers for the coming year and the president and secretary of the association both gave notice that they would not be available.

Mr. McDonald, the leader of the Liberal party in the province, had something to say about the interest rate, and I think he made the most amazing contribution of all in regard to that matter. I have here a report which appeared in a November issue of the *Star-Phoenix* referring to a statement made by Mr. McDonald. If Mr. McDonald ever becomes premier of the province I hope he does not take on the treasury portfolio. The report stated that Mr. McDonald had indicated that a majority of the loans would be repaid in six months and the interest rate thus would amount to only 2½ per cent rather than 5 per cent. Mr. McDonald would be most valuable to the small loan companies in this country in connection with their rather non-understandable interest rates.

I must find fault with the insinuation—the press took even more than that out of it—by the Minister of Trade and Commerce, who must have been angry, as I do not think he really meant it, that somehow the C.C.F. by what it was advocating was opposing the wheat board system of marketing. The minister knows better than that. Everyone in the country who is interested knows better than that. That type of marketing is a fundamental part of our philosophy and there is no question about that.

I was at a number of meetings and they certainly endorsed the wheat board system of marketing. I never in all my life heard anyone take such a drilling as did Mr. Stanley Jones, president of the Winnipeg grain exchange, in the town of Swan River in northern Manitoba. I was there and I heard 300 angry and very earnest farmers, all of whom were in favour of advance payments on grain, do everything to that man except lay hands on him. He escaped, but that is about all. I would point out that a great number, a proportion at least of those farmers at that particular meeting, were C.C.F. people and they certainly were in support of the wheat board method of marketing. As I say, I never knew a man to get such a going-over.

I see the Minister of Justice (Mr. Garson) over there and perhaps I should modify my previous statement by mentioning that at the meeting at Minnedosa I understand he was drilled until the small hours of the morning by another group of farmers who apparently had about the same opinion as most of the farmers in western Canada.

Mr. Garson: I know my hon. friend is most anxious to be fair and I believe he will accept a correction in his remarks. A large number of good citizens of that district came out and asked questions, which it was perfectly proper for them to do. They argued things out with their member until the small hours of the morning. In this I think they showed an appreciation of the proper usages of democracy.

Mr. Knight: I am quite prepared to accept the minister's statement. Perhaps he did not feel things quite as badly as they were represented in the press. But I would point out that the farmers argued with the minister until that time. Would the minister not say that they were opposed to the actions of the government in this particular regard. I think the minister was quite fair in saying that this discussion was a perfectly proper one.

Mr. Garson: In reply to my hon. friend's question, I would say that he is quite right. If people were opposed to the government policy I think the proper thing for them to do was to come to a public meeting and make their views known. The proper thing for their member to do was to go there and explain the position of the government; and then come back and explain to his colleagues the position his constituents had taken. That is the way democracy works.

Mr. Knight: The minister and I are perfectly in agreement, but the point I am making is that the farmers who were at that meeting were opposed to present government policy in connection with this grain business. They were in favour of cash advances.

Mr. Garson: No, Mr. Speaker—my friend—

Mr. Knight: Unless you are taking time off, Mr. Speaker, I must object.

Mr. Speaker: I am not taking time off, but having asked a question the hon. member, I think, should definitely clear up this matter.

Mr. Garson: I am really rising on a question of privilege because my friend has imputed to me and to those who took part in that meeting a statement which is not completely correct. My hon. friend stated that those present at that meeting were opposed to the present policy which we have now been discussing in this chamber. As a matter of fact one of the important requests made at that meeting is being implemented by the present government policy now under discussion.

Mr. Knight: We are not discussing that at the moment. The opinion which the farmers had at that time was different from their opinion now after having seen the legislation on the order paper. I do not think the minister has any point at all. With reference to this insinuation that somehow or other the C.C.F. was advocating the scuttling of the wheat board, it is most interesting to note that this insinuation was made by such an important man as the Minister of Trade and Commerce. Therefore I think it should be denied and denied here and now. I do not think anyone will suggest that Mr. Douglas of the province of Saskatchewan does not represent the C.C.F. There are plenty of others, but he certainly does represent them. I should like to direct the attention of the house to a broadcast on provincial affairs which he made on September 28, 1955. I hope the Minister of Trade and Commerce will take note of this statement made by Mr. Douglas:

> We in the west must continue to support the two basic principles for which the farmers have fought throughout the years. The first of these is the Canadian wheat board and an orderly system of marketing, and the second is the international wheat agreement designed to establish an equitable price for wheat as between exporting and importing countries. Any changes in policy which would undermine these two basic principles would set western agriculture back a quarter of a century and must be resisted.

Let the Minister of Trade and Commerce put that in his pipe and smoke it. As far as I am concerned I do not think I need emphasize this because the minister as much as anybody else in this house knows that there was misrepresentation in the statement made. One must not get angry about these things.

Speaking of anger, let me assure the minister that the anger of the farmers in the prairie provinces is genuine. As far as the loan proposal is concerned, it has been treated everywhere as a joke. My Liberal friends will bear me out on that if they are completely honest. The minister will remember similar legislation in 1951, a time when some of the farmers were unfortunate enough to have their grain under the snow. I have forgotten the name of the bill but, at any rate, there was $20 million available for loans, and the farmers of western Canada used between $600,000 and $650,000 only. Does that show that they appreciated the gesture of the government?

Who are these farmers? I have met many of them. I saw 400 or 500 farmers in connection with this particular matter about which I am speaking. For all the Minister of Trade and Commerce's attendance at meetings, I doubt that he gets into the farm kitchen and hears the farm wife discuss these matters. Perhaps he is too big a man to attend these meetings, but somebody should tell him what the people are saying. They are saying, "Why is the price of wheat cheaper to the Canadian producer than it is to any other producers in the world? If the United States is giving away wheat and ruining our market, at least it is wheat for which the United States farmer has already been paid through subsidization." Or he will ask, "What is wrong with subsidization anyway? Is not the gold mining industry subsidized? Are not the railways subsidized?" What is not subsidized nowadays? Is not industrial production subsidized, as my hon. friend from Rosthern (Mr. Tucker) will agree, by tariffs we have imposed against imported goods?

There is some support from a rather unexpected quarter. I have a dispatch here from Neepawa, Manitoba, which says:

> The chief commissioner of the Board of Grain Commissioners for Canada Thursday laid part of the blame for the present wheat surplus problem at the feet of the protected industry of the east . . .

D. G. McKenzie defended the western farmer who, he said, is being accused of asking the rest of the country to subsidize his products.

When one looks back over the last 80 years, Mr. McKenzie said, it is obvious that the manufacturers started government subsidies.

Many farmers say, "Why should I pay 5 per cent interest on my summer's wages that I have not yet received, for which I have worked all summer or maybe for two summers? I owe money to the man who supplies my gasoline, to the grocery store and other local people. These people are not charging me interest at the moment. They have my sympathy, but why should I go to the bank and increase my indebtedness by 5 per cent in respect to the amounts of funds the bank would advance to me?" It is a reasonable argument. It is so reasonable that they are not going to the banks to borrow much money, as my banker friends tell me.

That is most of the material I wish to bring forward with regard to the question of wheat. I may come back to it later.

There is another small but important matter with which I should like to deal, and that is the need for a change in the regulations regarding unemployment insurance. The amendment, of course, is not working out. The effect of it is that it is even more difficult for persons seasonally employed to draw the benefits than was the case before the amendment was passed.

This country suffers from the vagaries of climate. This year winter in Saskatoon came upon us in October. Some people could not qualify for the 30 weeks because they were laid off in the middle of October, and they could not get the supplementary benefit for their unemployment until 1st of January of 1956. I understand that, once having received it, they can then draw it for some months. These people had to face the Christmas holidays and the cold weather and the need to purchase fuel, without a job and without money. That matter has been taken up with the Minister of Labour. I wired to him myself and have had some response from him. He assured me that these regulations will be reviewed. Our climate is cold and uncertain. The people concerned are mostly civic workers, men in the employ of the city who have been working in the parks and in various outdoor jobs. Their plight is shared also by several types of construction labour.

There is another matter which is perhaps unimportant to the house but is a rather strange situation. A person mailing a letter in a certain section of our city for another section of our city has to pay five cents postage instead of four cents. That is due to the fact that the railway town of Sutherland, not far distant from Saskatoon, has been amalgamated, municipally speaking, with the city, but the postal arrangements were slow in being finalized. That is why that strange situation arose. I would say more about it, and would certainly make demands on the government in regard to it, but I am pleased to be able to inform the house and the people in my own constituency that that is no longer necessary. I understand instructions have gone out that the postal rates between the various parts of our city will now be equated as soon as the arrangements can be made.

In the time left at my disposal, there are one or two matters in general in regard to which I should like to express some disappointment with this government. I think I shall be excused for doing that. My hon. friend suggests that the time is rather limited to deal with the faults of this government. One would need a rather longer period than we are allowed. The government is losing face in this country. Even the Prime Minister (Mr. St. Laurent), whom we used to look upon as a sort of benevolent despot—did I say "despot"? I did not intend to.

An hon. Member: Right the first time.

Mr. Knight: —as a benevolent gentleman, is losing some of the appeal he had. Somebody told me the title he would give a book if he were writing the life story of the present Prime Minister. I see my friend the Minister of Agriculture (Mr. Gardiner) looking at me. May I say I think it is too bad that a tremendously picturesque character and a man of undoubted ability such as our Minister of Agriculture should have had written about him a biography that does not at all do justice in its writing to the subject with whom it is concerned.

Mr. Gardiner: You write one.

An hon. Member: Maybe he would do a better job.

Mr. Knight: May I say to the minister's suggestion that I should do a much better job if I had the time. With regard to the Prime Minister, this friend of mine suggested that, if he were writing a book about the present Prime Minister, the title should be, "The Man Who Always Says No". It was a westerner who suggested that title. To the suggestion for cash advances, the answer was no. To the suggestion for the Saskatchewan dam, the answer was no. To our repeated demands for national health insurance, the answer is a sort of quavering no, but still a no up to the present time. My own plea for federal aid to education? No. The demand for an arts council? No.

Mr. Garson: An increase in taxation? No.

Mr. Knight: Plans for increased economic aid to underprivileged countries?

Mr. McIvor: Yes.

Mr. Knight: No. Sometimes I do not blame the Prime Minister as much as I blame some of the people behind him, and if I have time I should like to tell you a story in that regard. I cannot review the world situation in this speech, but I was thinking that our diplomatic efforts have not been too successful. I was thinking that if virtue were measured in terms of miles travelled then the Secretary of State for External Affairs (Mr. Pearson) would be a great man. But it is not, and I am led to the conclusion that in certain directions—I am not quite sure that it is not in every direction—we are losing this thing that we call the cold war. I am not too sure about it.

Mr. Studer: Or anything else.

Mr. Knight: I think we have missed our trump card, economic aid.

Mr. Ferguson: I think you are using the discards.

Mr. Studer: You are playing with the discards.

Mr. Knight: The total amount of economic aid that this nation has given has been niggardly. It is not only that we do not support and aid this sort of thing but we have actually opposed it. Back in 1954 we refused to join a scheme for economic development under the auspices of the United Nations. We did not support that plea for economic assistance. We have noted the desire for a lessening of defence expenditures. I hope this will be feasible but in my opinion as we decrease our defence expenditures we should proportionately increase our economic assistance. I am thinking chiefly of the Asiatic peoples. I think that anyone who has read the press of late cannot but come to the same conclusion as I have.

An hon. Member: I hope not.

Mr. Knight: We are losing the cold war in the matter of technological and other types of education. In my last speech on federal aid I referred to the terrific strides that the Soviet union has been making compared to our efforts.

Mr. Ferguson: Give your friends a pat on the back.

Mr. Knight: Only 10 per cent of the young people of this country between the ages of 18 and 24 avail themselves of higher education. The corresponding figure for the United States is 30 per cent and the proportionate figures in other countries, with whose political philosophy we do not agree, are pretty terrific.

Mr. Studer: Do not be too sure.

Mr. Knight: The peculiar part of it is that in the matter of education we have no plans. In another year twice as many people in this age group will be knocking at the doors of our educational institutions as are doing so today, and we have no imaginative program to take care of them. Why do we persist in this country with what amounts to starvation of education? A larger share at least of the production of our expanding economy should be used for education instead of being put back into capital investment.

Mr. Garson: Will the hon. member permit a question?

Mr. Knight: I am sorry, time will not allow me to permit a question at the moment.

Mr. Garson: May I ask that before you take your seat—

Mr. Knight: No. Not only do we not encourage educational advance but we seem able only to think of economic and material improvement.

Mr. Ferguson: Why do you not read the Soviet bulletin that they issue every week?

Mr. Knight: What about the needs of the mind? When I came to the House of Commons eleven years ago, to mention education in the federal parliament was like using a naughty word, almost as the word "peace" has come to be regarded in certain quarters of this country. What are these forces that are holding back the Prime Minister?

Mr. Ferguson: The C.C.F.

Mr. Studer: The socialists.

Mr. Knight: I do not completely blame the Prime Minister and I should like to tell a story to indicate why I do not blame him as much as certain forces that must be working upon him somewhere. I attended a meeting of the council on the humanities at the Chateau Laurier a little over a year ago. Educators from across the country were present together with the occasional member of parliament. We were all interested in the creation of an arts council. At the end of the discussion the Prime Minister made an excellent, delightful and interesting speech. When we came away from the meeting one of the delegates put his hand on my shoulder and said, "Well, boy, apparently that is in the bag." I said it would look like it. I said

I had never heard something expressed which was as close to a commitment and yet was not a commitment.

That was the general feeling of the meeting and it was the greatest surprise to me and the others who attended the conference to find that in the next speech from the throne there was no mention at all of that particular subject. I ask why?

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Knight: I am in your hands, Mr. Speaker, and those of the house. I was interrupted and I think I can finish in two minutes.

Mr. Deputy Speaker: The hon. member is, in effect, asking me to inquire of the house whether they wish to give unanimous consent. I would point out that under ordinary circumstances I would be glad to do so, but in a debate with a fixed termination I think the hon. member should consider carefully before he asks me to make such a request. The hon. member for Rosthern.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, at the outset I should like to extend the usual congratulations, in fact, even more so in this case, to the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne, and also to express appreciation to the Prime Minister (Mr. St. Laurent) for having our colleague, the hon. member for Timiskaming (Mrs. Shipley), move the address. It is particularly pleasing when she did such a splendid job.

I do not intend to follow altogether the speech just made by the hon. member for Saskatoon (Mr. Knight) but at the outset, in case I do not get around to it, I think I should deal with what has been said about the marketing conference that was held in Saskatoon last fall because it has been referred to by previous speakers including the hon. member for Saskatoon. I attended the conference and I do not think the record should be left in the indefinite state with respect to it that is now the case because there has been a suggestion that the government has flouted the wishes of the farmers as expressed at the conference in the policy that the government has adopted. As I do not think that is the right inference I believe the record should be put straight.

As already stated, I attended the conference and I also have a copy of the resolutions passed at the conference. It was called by the interprovincial farm union council and was attended by representatives of the various provincial governments, the pools, and even of labour organizations. One of the reasons for calling the conference was to advise the government as to what western Canada, particularly the farmers of western Canada, wanted done respecting the problem which then faced them due to a shortage of cash having arisen through the farmers not being able to market their grain because of the congestion of the elevator facilities. The first resolution passed by the conference was moved by Mr. McIntosh, who is a member of the provincial government of Saskatchewan, I believe, and seconded by Mr. Hansen, who is the head of the farmers' union of Saskatchewan. It reads as follows:

> That this conference express its confidence in the Canadian wheat board as a sound method of marketing Canadian grain.

As I recall, that resolution was passed unanimously. That was the thesis upon which this whole conference proceeded.

As one might expect, the next matter that came up for discussion was advances to farmers. I should like to read to the house the resolution passed by this conference on this matter. There was a great deal of discussion on the motion introduced; it was amended, and finally a motion was drawn up which it was thought would pass through that conference. Here is the motion as amended and passed:

> Be it resolved that the organizations participating in this conference urge the government of Canada to make immediate provision for advances to farmers on grain in store on the farm, and further that these advances should be up to one-half the value of the normal delivery expected and should be repayable on the basis of one-half of the value of each delivery made by the farmer.

I draw your attention, Mr. Speaker, to two or three significant words in this resolution which was not drawn haphazardly but was drawn in order to meet the wishes of the people attending that conference. It was drawn after a great deal of discussion and after various motions had been made and withdrawn because it was clear that they would not be supported by the conference. I would ask you to bear in mind, Mr. Speaker, the fact that at this time a great number of requests were being made that advances should be made through the wheat board to the farmers. That suggestion was naturally brought before this conference. It was one of the things definitely advocated by some attending. I would point out to you, Mr. Speaker, that that suggestion was not endorsed. You can see that there is nothing in any way said otherwise than that advances should be provided for. If this conference had intended to endorse the idea of advances against farm-stored grain being made by the wheat board, it would have said so because it was invited to say so. It was quite clear,

however, that that resolution would not pass that conference. The reason why it would not pass the conference, Mr. Speaker, was that the basic idea of the people represented there was that nothing should be done to interfere with the present and future success of the wheat board as our marketing agency. Many people at the conference pointed out that if the wheat board was invited to enter this field its position might be in danger; and it was accepted as fundamental that nothing should be done to endanger the position of the wheat board as our marketing agency.

Mr. Ellis: You will never sell that idea out west.

Mr. Tucker: I may not be able to sell it out west but I am telling about what happened at that conference. It is not my purpose to try to sell anything. It is my purpose to tell the truth, Mr. Speaker.

Something has been said to the effect that it was quite clear that this money was not supposed to be a loan but that it was supposed to be an advance. May I ask why it would have been said that this money should be repayable on the basis of one half the value of each delivery made by the farmer? If this money was not a loan, why should it have been resolved that it should be repayable in a certain way?

Some hon. Members: Oh, oh.

Mr. Tucker: My C.C.F. friends may groan all they want to, but there is only one meaning to that resolution, namely that it was to be an advance and was to be repayable. That was the resolution passed by this conference. As one who was there, it is my duty to put the facts before this house. If the able men who attended this conference had intended to pass a resolution asking the government to make through the wheat board advances that should not be repayable, does anybody think that they would not have drafted a resolution that would have said so in so many words? Of course, Mr. Speaker, they were trying to give advice on the basis of what, first of all, would preserve the wheat board as a marketing agency and, subject to that consideration, would meet the immediate needs of the farmer for cash. There was a difference of opinion as to how it should be done. Some advocated that it should be done through the wheat board's advancing money through the elevator agents. Others at that conference pointed out that this procedure would get the wheat board involved and might do a tremendous amount of harm to the wheat board. The final decision was to draft the resolution in this form and to leave the matter to the government to decide, after hearing representations from the various farm organizations and others there represented as to what was the best way to do this. But again I say everything was based on the idea that nothing should be done to interfere with the wheat board.

If what was made plain to this house yesterday by the Minister of Trade and Commerce (Mr. Howe) had been made plain to that conference, and it was suggested from time to time that the wheat board's position would perhaps be endangered if they were asked to do this, I have no doubt what that conference would have done. If it had been made plain to this conference that the wheat board was absolutely positive that they should not be asked to do it and would not undertake to do it, I have no doubt what that conference would have decided, because it was and is the belief in western Canada that the present wheat board has been doing a good job, that it has done a good job and that nothing must be done to endanger its continued existence.

Yesterday the Minister of Trade and Commerce told us this, and I am reading from page 127 of *Hansard:*

> I can tell the house that, if the government instructed the wheat board to lend money on farm-stored grain and assume the responsibility for the lending of that money and its subsequent collection, the four members of the wheat board would be out of office within a matter of days.

I put this to every member of this house: If that proposition had been put to that conference—and bearing in mind they would not endorse it when it was merely the thought of some that the wheat board should not be asked to handle this matter—if they had definitely known that that was the opinion of the wheat board, I put it to the members that that conference would have made even plainer their decision that they did not want to ask for something to be done that was against the considered advice of the wheat board and something which, in their opinion, they could not effectively administer.

Mr. Johnson (Kindersley): I should like to ask the hon. member a question.

Mr. McCullough (Moose Mountain): You cannot intimidate the farmers with that sort of proposition.

Mr. Tucker: My hon. friend is trying to twist my words. I am not trying to intimidate anybody. I am putting before the house exactly what happened before this conference and what I think would have been their attitude in an even more pronounced way if they had known for sure the advice that the wheat board was giving. I want to tell my friends of the C.C.F. this. I am sure that their actions must be interpreted by the rest of Canada in a way that they do not like. They keep professing to be favourable to the wheat

board but they continue to find fault with what is being done in respect of the wheat board's work. They continue to ask for things that the wheat board consider they cannot do and still retain the confidence of the farmers of western Canada. Then when my hon. friends are asking for these things, demanding them and stirring up demands for them they say, "We still are the best friends of the wheat board".

Mr. Argue: Who forced the wheat board to distribute box cars?

Mr. Tucker: As to that matter, may I say that the wheat board already have power to do that.

Mr. Argue: The minister forced them to use it.

Mr. Tucker: My hon. friend made his speech and I did not interrupt him. I know that it must be unpalatable to him for me to have these actual facts put before this house. My hon. friends may suggest all they want to that this thing cannot be sold to the farmers and that sort of thing. I have taken the attitude that I will try to tell the truth here and will rely on the sense of justice of the people of Saskatchewan to support me in doing so. I am putting before this house what was passed by that conference and what happened at that conference.

The government knew that the conference had refused to endorse the wheat board's being asked to handle this question—had definitely refused to do so. That is something that cannot be denied. Further, they knew the attitude of the wheat board in reference to this matter. They also know the attitude of western Canada which was that the wheat board should not be endangered, as it would have been according to the wheat board's own opinion which they undoubtedly thought should be taken in that regard. Is the government then to be blamed for acting upon the advice of a conference called for that purpose and for doing the thing in a way that appeared to be the only way in which it could be done to provide these advances, namely through the banking system—a procedure which was not refused or turned down by this conference. It was the only way in which it could have been done if it was not to be done through the wheat board, and if the wheat board said: "We cannot do it and we will not do it, and we will not try to do it, and if you destroy us, why that is your responsibility." Then, of course, it seems to me the government did the only thing it could.

I have no fear, Mr. Speaker, with regard to what the people of western Canada will say if it comes to an actual showdown and they know the facts and that the opposition parties are insisting on demanding that the government load a burden on the wheat board that might break its effectiveness as a marketing agency for western Canada, and that they are insisting on this even at the risk of endangering the wheat board. I am satisfied that the people of western Canada will say that the Liberal government and those who support it did right in doing nothing to endanger the existence of the wheat board. I say that to the C.C.F., and they can make the most of it.

I ask them this question. If the wheat board is of the opinion that farm financing cannot be done properly by the board and still preserve their effectiveness as a marketing agency—and apparently that is their opinion; there is no reason to doubt it—is it the C.C.F. attitude that this should be done regardless? On this question of getting help to the farmers in this time of emergency, do they say that we should risk doing away with the long-term plan of keeping the wheat board? I just wonder whether my hon. friends really take that attitude? That is what I wish to say about that meeting at Saskatoon. In my opinion the government did the only thing it could do, consistent with the advice brought from that conference. Anybody who reads the resolutions passed by that conference, or who attended the conference, knows that what I am saying is true.

I intend to come back to this question of grain marketing, but there are one or two things I wish to say before I do that. We are being invited to vote lack of confidence in this government.

An hon. Member: Hear, hear.

Mr. Tucker: And the C.C.F. endorse that. If that motion of lack of confidence carried it would mean a new election. Does anybody in the C.C.F. really pretend that if an election were held there is any other alternative to the present government than a Progressive Conservative government? Surely, they will not pretend that they would have any chance of forming a government. Are my C.C.F. friends anxious to replace the present government with a Progressive Conservative government? They do not answer. I know they would not dare to say that, because Saskatchewan would repudiate them if they did so. When they ask us to vote against the government they are asking us to take the chance that we might have a Progressive Conservative government instead of a Liberal government. Since I know western Canada does not want that, why should I vote lack

of confidence in the present government? I ask them, why should they do it?

Where would our provincial government be without the money it gets under the dominion-provincial agreements?

Some hon. Members: Oh!

Mr. Tucker: The C.C.F. may say "oh". They know themselves that we could not carry out our educational program; we could not carry on our hospitalization program without the money we get under the dominion-provincial agreements. Have they any guarantee that if this government were defeated and succeeded by another government, we would have dominion-provincial agreements under which we would get the money which we get today, to the same extent and under the same circumstances? They could not guarantee it; and yet they are ready to take that chance. I myself know the attitude of some of the members of the government of Saskatchewan. They would hate to take the chance of having this government defeated when they are faced with that kind of possibility. They know that is true.

Let me in this connection deal with the attacks that are being made on the wheat board today. The government is being attacked because of its wheat board policy. The central point of that policy is the wheat board and the maintenance of the wheat board. If the government were defeated, as the C.C.F. want, could my C.C.F. friends tell their friends in Saskatchewan that they would guarantee the wheat board would be maintained as the exclusive marketing agency of wheat, oats and barley, as it is today They cannot do it. They could not guarantee it. They are ready to take a chance on this very thing that is so important. They are doing it for what purpose? They are doing it for political advantage, Mr. Speaker, that is all.

They say they want to see the Liberals stand up and be counted. Yes, Mr. Speaker, I am ready to stand up and be counted in support of a government that maintains the wheat board as the marketing agency for our grain. Certainly, I am ready to stand up and be counted and support the government that is bringing in improved dominion-provincial agreements under which our province can give a standard of education and of health that it could not give without them.

I was elected to this house in 1935. At that time one of the problems in Saskatchewan was that we had no access to the large incomes of the corporations and of individuals in the central provinces, and that we could not, without impossible taxation, give the children in Saskatchewan the same educational advantages that were enjoyed by the children of Ontario. We said that some system should be evolved so that there would not be any first and second-class citizens in Canada. We said that there should be a definite minimum of government services throughout Canada. Our party has worked on this problem of trying to equalize the yield from income, corporate and succession duty taxes, up to the time that the last suggestion was made by our present Prime Minister.

At that time one of the arguments that we used was this. We are probably facing another war when the boys of Saskatchewan will be expected to fight and perhaps die for Canada. Is it fair that Canada shall say to them: "If you live in Saskatchewan you cannot have the same educational and the same health advantages that you would have if you lived in some other province"? We said something should be done about it. This was opposed by many people. They said it was not fair to put heavier taxes on Ontario to help out Saskatchewan and other provinces. Some people not very far from me took that attitude, but the Liberal party worked on this program, and now we have the present proposals in regard to dominion-provincial relations based definitely upon the idea of fiscal need. This the C.C.F. profess to support. Are they sure it would be carried out by the other party? No. But yet they ask me to throw out a government that recognizes the principle of fiscal need, and replace it with a party that at times has not supported that point of view. I am wondering who is playing politics on this important matter?

I commend the Prime Minister of this country most heartily and sincerely on the leadership that he has given in trying to work out a system of dominion-provincial grants which recognizes the principle of fiscal need, and which recognizes the desire of the provinces not to appear to surrender their economy, by being able to draw the money under this arrangement without signing any agreement.

I want to commend the Prime Minister on his earnest endeavours to get a system that is satisfactory to all the provinces of this country. I do deplore most sincerely the suggestion that when he is trying to get a system worked out that is acceptable to all parts of this country he is supposed to be catering to one part rather than another.

Saskatchewan depends upon these dominion-provincial agreements more than any other province in Canada. When the Prime Minister (Mr. St. Laurent) is trying to come to some agreement which will be and give fair

recognition to the claims of Quebec to the position to which she feels entitled in confederation, then we in Saskatchewan should be the first to support that. We should want Quebec to be satisfied with this because it is an important part of Canada. Unless the agreements are accepted by the whole country as a fair basis upon which the government should act, then they are not solidly established as we should want them to be.

This is a very difficult problem under any federal system. It is a problem of seeing to it that all provinces have a fair chance of carrying out their constitutional obligations particularly in regard to education and health to an equal degree. I hope it will not be too long before, under the leadership of our present Prime Minister, the present proposals are put into effect providing a new and more solid foundation for the unity of our country than has before been possible. This has been such a vexing and divisive influence upon our country. How can you have real unity if one part of the country feels that another part is getting a much better deal out of confederation? When agreement is finally brought about I believe it will re-establish Canada as a more united country. I want to commend the Prime Minister for the work he has done and the leadership he has given in that respect. The government he leads certainly should have the support of all the members from Saskatchewan because I think these tax agreements are more important to us than to any other part of this dominion.

I should like to say a word about external affairs.

An hon. Member: What about wheat?

Mr. Tucker: I am not afraid to deal with wheat. The people who should be afraid to deal with wheat are those who profess to be in favour of the wheat board and yet are always advocating policies which will destroy it.

I wish to say a word in regard to external affairs. I commend the Secretary of State for External Affairs (Mr. Pearson) for the attitude he has taken at NATO to the effect that the attention of the western world should be directed to building up economic strength and economic co-operation. We cannot hope to build up solid military strength unless we have economic strength.

Surely, we do not want to repeat the mistake we made in the thirties when each country tried to solve its unemployment problem, its problem of low farm prices by taking individual action. In this way each nation hurt the other nation. The result was the terrible experiences we had in the thirties. At that time, we resolved that never again would we be a party to doing that sort of thing. I want to commend the Secretary of State for External Affairs for pointing out, particularly to our good neighbour the United States, that article 2 of the North Atlantic treaty is an integral and important part of that agreement; that therefore, they should take no steps that are unfair to the other members of that organization hoping as they do to live up to the terms of that agreement. I believe that, in emphasizing that, our minister was doing a good thing, not only for Canada but for the whole of the western world. Why then suggest that we embark on a different scheme on a national basis and follow the past United States system of subsidy and giveaway, regardless of the extent to which it may destroy the economic foundation of neighbouring countries? When it is suggested to us we do the same, is it not being suggested, Mr. Speaker, that we repeat the mistakes of the thirties?

I want to commend the government for taking the lead at GATT and saying that we should adopt trade policies leading to a greater measure of trade. I want to commend the government also for taking the lead at the NATO conference in saying that, if we are going to solve these problems which are besetting agriculture in all countries of the western world, we must work together in harmony. Things should not be done because one nation is strong and thereby able to take a position that may almost ruin a neighbouring nation. Surely our Secretary of State for External Affairs deserves the united support of every member of this house in that connection. Yet my friends of the opposition say I should vote against the government. I am not afraid to vote in favour of not repeating the mistakes of the thirties, and I do not think my hon. friends opposite should ask me to do otherwise.

I should say a word of commendation about the good work done by the Minister of National Health and Welfare (Mr. Martin) at the United Nations. One of the things that hampered the work of the United Nations was its lack of universality. Our representatives there succeeded in getting 16 of the nations of the world admitted to membership, thereby strengthening the organization and making a contribution to peace. By giving that leadership our representative added lustre to the name of Canada in the councils of the world.

Now, I would like to say a word about farm prices. I have looked over the index figures, but I have not time to give them now. I would point out that if you allow for a hoped for further payment on wheat, the index of farm prices is back around 228·8 based on

1935-39. His costs stand at 228·9. In other words the prices received by the farmer and the cost of doing business are both more than twice as much as in 1935-39. This figure of 228·9 is the index of farm prices. It allows for 20 cents more per bushel on wheat which brings the index of farm prices to 228·8, which is one-tenth of 1 per cent away from the index of farm costs. In other words, if you calculate that we will get another 20 cents on wheat the farmer is now back—

Mr. Nicholson: Where do you get that figure?

Mr. Tucker: I am hoping for it.

Mr. Nicholson: Where do you get it?

Mr. Tucker: I am hoping for it. If we do not get it, the situation will not be so good. I am hoping we will get a further payment on oats and a further payment on barley but I have not taken this into my calculations. In any event, we have got back to the position where what the farmer now gets from what he sells, relatively to what it costs, is relatively the same as in the period 1935-39.

In the interval, his position has been much better. His position has been getting worse during the last four or five years. His costs have been going up and the prices at which he sells his goods have been going down. This situation has been reflected in the trend of the population and it is something to which I am sure the government is giving attention. The figures I got were from the Canada Year Book and they seem to me significant figures—figures to which every member should give some attention. I have only the figures for 1941 and 1951. In 1941 the number of people engaged in agriculture totalled 1,083,816. By 1951 the number had decreased to 826,759, that is a decrease of roughly 257,000 or 23·7 per cent. The number has decreased by almost one-quarter. I think that trend has gone on since 1951.

On the other hand, in the case of those engaged in all forms of gainful occupation, including agriculture, the number in Canada in 1941 was 4,195,000 in round numbers, whereas in 1951, and this does not include Newfoundland, the number had increased to 5,179,000, or an increase of 24·4 per cent. Therefore, while the number of people engaged in gainful occupations went up by 24·4 per cent in the decade from 1941 to 1951, the number of people engaged in agriculture went down by 23·7 per cent.

It is quite obvious that it has been felt by the people of Canada that it is much better to be engaged in some occupation other than farming. So far as I understand their attitude, the royal commission on agriculture in Saskatchewan, noting that the number of people in Saskatchewan in agriculture had gone down, that the number of farms had decreased, that farms have increased in size, believed that no fault should be found with that because the only way in which a farmer now can make a living is by doing business on a bigger scale. Therefore you have to have larger farms for the farmer to have an adequate income, and as I take it they do not find fault with that trend.

But the government must bear in mind that sociological changes like that bear down very heavily on the sections of the community affected and the government must always keep in mind that these changes should not be permitted to happen faster than considerations of humanity warrant, or faster than would be in the best interests of the basic economy of the country. This is something to which careful attention must be given and it is one of the reasons why I feel that the rest of Canada should have no hesitation in supporting any modest measure of temporary assistance to the farming industry that may be necessary to temper this situation until we can find out exactly what the long-term position should be.

Mr. Nicholson: Why modest?

Mr. Tucker: I think I should now say a few further words in regard to the wheat situation. I think at the outset that I should say that I commend the stand taken on this matter by the Minister of Trade and Commerce (Mr. Howe) down through the last four or five difficult years. The attitude has been taken over and over again by opposition groups that we were losing our markets, that we were faced with a pile-up of grain, that we needed to get rid of our grain, that we had to do something about it, that this grain surplus was striking at the very foundation of our economy in western Canada.

I may be wrong, but in my opinion if there had been any indication on the part of the minister responsible for our program, if there had been any weakening in support of the wheat board, if there had been any indication that this vast quantity of grain would suddenly be thrown on the markets of the world: if there had been any thought that that was likely to happen, it would have broken the world price of wheat. What that would have cost the farmers of this country is incalculable.

Yet the Minister of Trade and Commerce is attacked for his firm stand on this question, for his being behind the wheat board, for his saying that there will be no fire sale of

wheat—that the situation is not as bad as it has been painted by the opposition. I think on reflection we must all admit that he has done a good service to the farmers of this country and for that reason he deserves support when the time comes to vote.

One thing that was significant to me in the speech yesterday by the Minister of Trade and Commerce was that up until, I believe he said early in November, there had been no great demand for our wheat and then suddenly it came on faster than he had ever experienced before. At a time when there is an open market, speeches such as those that have been made would not have much effect because people dealing in wheat would know the exact supply situation. They would not go according to speeches.

But when there is a tremendous amount of wheat in the hands of a government and that government is being attacked by the opposition because there is a great deal—too much—wheat on hand; when it is being contended that a new policy should be followed, that a more aggressive sales policy should be adopted, that something should be done to get rid of it, those people who are thinking of buying wheat may be inclined to believe that the government may finally give in, and should that occur the price of wheat might drop substantially and therefore they hold back to see what effect the opposition attack may have.

I think it is fair to say that this continual outcry on the part of the opposition that there should be some change in the marketing of wheat, that the wheat board is not getting rid of the wheat fast enough, that the government should be thrown out because it is not doing a good selling job—when these things occur other people may think that the opposition may be able to bring down the government and they may decide to hold back to see what happens. How much damage has been done by these cries which have been heard in the past, that the government should get rid of our wheat, nobody can tell, but I do point out that to me it seems to be a case of playing politics at the expense of the farmers of our country.

The minister has pointed out that he feels from his long experience that we are going to get through this situation without changing our policy, without creating panic and without throwing our wheat on the world market and breaking the price. Because he takes that optimistic position he is attacked. He takes the attitude that it is a good thing that we have a surplus because we may have a crop failure when we would need that surplus to meet the demands of our customers. This is in the best tradition of former great leaders in western Canada.

Western Canada likes the straightforward attitude of the Minister of Trade and Commerce because he talks to them in a blunt, straightforward way. Yet we continue to have this outcry that there should be a change in his attitude. As an example, last night I read where a Conservative member of the provincial legislative of Manitoba had said that a new wheat policy was needed. He said that the problem of farm security could be met by paying on farm-stored grain. His solution for the disposal of our surplus was practically a forced sale, make prices and conditions suitable to the consumers in the importing countries.

Would it not be a sad thing if when, through the goodness of Providence, we had a good crop, as a result of weakness on the part of the Minister of Trade and Commerce in doing the things suggested by this Progressive Conservative member of the legislature of Manitoba our wheat was pressed on the markets of the world so as to break prices. The result would be that our farmers would lose—and the country would lose—through that goodness of Providence rather than being benefited. Surely we should be glad that we have a minister who says that we are going to take advantage of the goodness of Providence by seeing to it that the farmer benefits. That is the attitude of the Minister of Trade and Commerce and I intend to support it—to stand up without hesitation and be counted, believing I am thereby supporting the best interests of the farmers of our country.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to begin in the usual way by extending my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

I should like to follow that with a note of personal congratulations and best wishes to the Minister of Trade and Commerce (Mr. Howe) on reaching his seventieth birthday. I might say that he followed up this milestone in his life by making a most spirited address to this house yesterday. Although there may be some differences of opinion as to the accuracy of some of the comments he made

at that time, he certainly showed a great deal of spirit for a man who has, throughout his career, done a great deal for our country.

I should like now to extend congratulations to the hon. member for Rosthern (Mr. Tucker), who spoke just prior to myself. He should be congratulated because, during the course of his address, he gave the province of Saskatchewan an export of a new kind. The export which he introduced to this house was red herrings, the same brand of red herrings that was introduced into the house yesterday by the Minister of Trade and Commerce as a new export from Port Arthur.

The principal red herring injected into these debates was the red herring that those who are critical of the government's handling of the present agricultural emergency are people who are attempting to throw out the Canadian wheat board. I do not think that any member of this house, or perhaps even newspapers or others that have been mentioned by these two gentlemen, are seeking deliberately to destroy a means of orderly marketing. However, in supporting generally the principle of the Canadian wheat board, I do not think anyone in his right mind, farmer or otherwise, could fairly assume that the support of a principle of orderly marketing necessarily means support of all the actions of those who may be carrying out that policy of orderly marketing.

The Minister of Trade and Commerce, in his statement, went to great lengths to establish that, in his view, production of surpluses of agricultural products was in the long run a good thing for our economy. He tried to imply that others who may not think as he does want to see shortages rather than surpluses. That is most unfair and most untrue. When we take the minister's reasoning that it is in the national interest to continue producing surpluses of all kinds of products, particularly of wheat, despite any temporary state surpluses, then it must necessarily follow that, if maximum production is in the national interest, then it is also in the national interest that the burden imposed by this method of production should be carried on a national basis in the national interest and should not be a burden imposed upon the producers of agricultural products alone.

If it be true that it is in the national interest to maintain a high level of production regardless of the state of our overseas markets for these products, then it must follow, and even the most ardent supporters of this government's policy must agree, that the present very limited emergency steps contemplated in the speech from the throne are steps which still impose on the prairie farmer the great burden in the national interest of carrying something which is a responsibility of the nation as a whole.

The minister made some reference to retail sales in the prairie provinces for the first nine months of 1955. He compared them with the first nine months of 1954 and from that comparison came to the conclusion that the western farmer has no need of cash. He stated in his comparison that retail sales were up, I believe, some four per cent in Manitoba, that retail sales were down only one per cent in Saskatchewan and were up some six per cent in Alberta. But let me point out that this particular gauge is a most unreliable one and presents a very false picture of the actual state of affairs. A far more reliable gauge of the actual cash position of the agricultural producer in the west would be one based upon how much farmer debt has increased during this period of 1955, when retail sales were maintained. How much more do the western farmers now owe their local merchants? How much do they owe their suppliers of all forms of products? How much, in turn, has the debt of those merchants and suppliers increased as compared with those in the east and other parts of Canada from whom they buy their products for resale to the western farmers? It is only fair and honest to say that the farm debt position has very greatly worsened during 1955. Such is the need for cash that a great many western merchants in smaller towns and cities alike have had to go on a straight cash basis with the farmer. The farmer's credit is no longer good, simply because the merchant himself finds he cannot maintain his own credit position and continue getting goods if he has nothing to show for the sale of his products except a debt owing by a farmer without cash.

I know we have in southern Alberta a very sad situation which accentuates the belief that there is a crying need for more cash for the farmer. That is the fact that many farmers are disposing of No. 1 and No. 2 wheat for feed. Good grade wheat is being taken by merchants of all kinds in exchange for petroleum products, household appliances, motor cars, foodstuffs and so on. It is being taken in for as low as 50 cents a bushel for No. 1 wheat. That wheat, in turn, is being sold at merchant's cost, or even less, for feed. This is at a time when our elevators are loaded with huge quantities of low grade wheat which at this stage should properly be used to supply the feed needs of the west as well as the east.

I am not going to offer any specific solution for the farm problems of the west. The

leader of my party has outlined what I believe is a good emergency program at this time—cash advances to farmers—and a good suggestion for a long-term solution, that is, to toss this problem to the Gordon commission for a full study of all the aspects of future policy on wheat marketing in order that we may evolve a plan that will ensure not only maximum production of agricultural products but a fairly steady flow of cash for those products, in order that those who produce them may continue to live on a standard comparable to the rest of Canada.

I should like to devote the rest of my time today to a discussion of another phase of the western Canadian economy, one which, at least in one regard, has shown a great deal more progress than has our basic industry, agriculture. I refer of course to petroleum and natural gas. During 1955 the petroleum and gas industry poured into western Canada as direct investment more than half a billion dollars, to be exact some $503 million in new capital investment in oil and gas exploration and development, land acquisition, pipe lines, refineries and everything else that goes to make up that particular industry. This investment of more than half a billion dollars in one year is by far the largest rate of investment in Canada's history in any single natural resource. It of course reflects the steady growth that has taken place since 1947 when the Leduc discovery started off the oil boom.

This year western Canada, the four western provinces and the Northwest Territories and the Yukon, are now assured of a still greater investment. There will be poured into the west this year by the oil and gas industry a minimum of $680 million, a rate, I might say, which dwarfs by many times the investment rate of the industry of only $12 million a year nine years ago. But if the critical problem of the oil and gas industry, that is, the solution of the gas export question, is settled, new investment in the four western provinces in 1956 will not be $680 million but will climb to a minimum of 813 millions of new dollars.

The effect of that kind of capital investment upon a part of Canada whose basic industry has suffered and suffered severely is an effect which is incalculable, I might say, and this is a good measure of the importance of these resources to western Canada as well as to all of Canada, that nine years ago this industry supported directly and indirectly some 25,000 men, women and children in western Canada. Today the number of western Canadians supported directly or indirectly by the oil and gas industry is not 25,000 but exceeds 300,000 people.

There is every reason to believe that over the next few years, provided the industry can continue to grow through freedom to market its products, provided we can develop along with oil and gas production ancillary and associated industries, petrochemical, steel and so forth, to supply oil needs, we will in a relatively few years have at least one million western Canadians supported by these twin resources.

I am going to toss a very few more figures on oil at you, Mr. Speaker, and then get down to the question of our problem with respect to gas. In 1955 this industry, which is pouring so much in capital investment into western Canada, took out far less, but it still took out some $301 million worth of crude oil which it marketed, of course, in Canada and the United States. This year we have a substantial market growth ahead of us for oil. This year we will be marketing 156 million barrels of oil with a worth at well-head of something over $376 million, making oil, of course, by a substantial measure the No. 1 mineral producing industry in terms of cash produced in all of Canada.

In 1955 this western industry managed to produce some 353,000 barrels of oil daily, an amount which represented 57½ per cent of the petroleum needs of the Dominion of Canada. That record was set only eight years after the discovery of Leduc at a time when our oil hunger in Canada was less than half what it is today and when we were only able to produce less than 10 per cent of our needs. This year we will produce in western Canada some 429,000 barrels of oil per day equal to 65 per cent of this year's demand for the whole of Canada.

I might say, however, that these figures, while large, must be stacked up alongside one factor, and that is that our ability to produce oil in western Canada is growing even faster than our ability to market it. Right now in the four western provinces we can produce no less than 700,000 barrels of oil per day compared with 20,000 barrels a day nine years ago, if we have the markets to absorb it. The figure of 700,000 barrels daily is made up of the maximum efficient rates of production of all the thousands of oil wells in the west as determined by competent engineers employed by governments and oil companies.

We are, therefore, not producing to our full ability. We are producing some 55 or 60 per cent of the amount of oil we could produce if we had markets. But a breakdown of where we are selling oil and how those markets for oil have grown sets a pattern we might well bear in mind when we consider oil's twin product, gas. In 1954 we first

broke into the United States oil market and in that year we managed to dispose of 7,900 barrels of oil per day, all of that going into the area along the western end of lake Superior on the United States side. In 1955 these exports of our oil to the United States increased severalfold. They increased to 50,800 barrels daily, and in this year we will be able to market in the United States at least 112,000 barrels of oil daily, an amount which represents 26 per cent of the expected oil production of western Canada. In other words, the United States market has become a very vital factor in our market planning.

The sale of oil to the United States in this year alone will bring to Canada a minimum of $113 million in United States currency which will continue to improve greatly our trade position with our neighbouring nation to the south. Without this United States market for oil and the lift that access to that market provides to support capital spending in the development of new resources in western Canada I believe quite firmly western Canada would lose capital investment of at least a quarter of a billion dollars per year.

I use these figures because they do indicate the importance to the development of these resources of the west of access to markets outside of Canada. It will perhaps interest hon. members to know, and this rather disturbs me at times when I think about it, that even a year ago we faced certain problems in Ottawa, and they were not confined to the government side of the house alone. The problem that faced us was that there were members of the house who were still attempting to place restrictions upon the route of oil pipe lines plus restrictions upon the marketing of our oil that would have, if approved, ruled out the market growth we have been able to enjoy across the border.

You may recall the stand taken some years ago by the Minister of Trade and Commerce (Mr. Howe) when he ruled that the first oil pipe line should go partly over United States territory to Sarnia, Ontario. I was not in politics at that time but I strongly supported his position because that was the most economic means of bringing the oil east. What has been the effect of that decision? It can be summed up this way, that because that oil line reached Ontario by traversing in part United States territory we were placed in contact by means of the pipe line with a United States market which in 1956 is going to take from western Canada approximately 54,000 barrels a day of western Canadian oil.

You may recall a year or so ago the protests lodged on the other side of the house against expansion southward from Vancouver of the Trans Mountain oil pipe line. Those objections, I am happy to say, were overruled. But had they gone through, and had we been unable to move oil by pipe line south from Vancouver into the northwest United States, this is what would have been the effect this year. Western Canada would have lost a market which this year will amount to 58,500 barrels of oil per day. Those two markets in the United States which are available to us only because of the relative freedom given to the oil industry to plan its transport systems on the most economic basis without too much regard for the location of the 49th parallel today, mean that western Canada, in terms of production, is producing an extra $300,000 worth of oil per day and that the Canadian economy is being strengthened by that amount. As I indicated to you earlier, even access to that United States market does not take care of our oil surplus problem. We are still capable of producing almost twice as much oil as we are able to market in Canada and in the United States, but the oil industry are not calling for subsidies of any kind to help them out. They are simply leaving their wells cut back to the amount of oil they can produce efficiently and can market in the areas to be served.

That brings us to the question of gas. Our oil planning has been based upon a fairly wide recognition of the fact that a pipe line is merely a means of transport between an oil field or a gas field and a market. Unless that pipe line can move that product to a market at a price which the customer is willing to pay and at which the producer is willing to sell, the pipe line cannot be a success financially and cannot do the job for which it was intended in moving the products from the field to the market. With regard to gas, unfortunately, our thinking in this country on both sides of the house to a large degree has been based upon the acceptance of a purely emotional appeal without one whit of regard for the cold economic facts of mounting surpluses of gas in western Canada and the cold economics involved in the setting up of a transport system or the economics of producing gas, transporting it and getting it to a market at a price which the customer is willing to pay. As a result of this emotionalism with regard to gas, we have now had in Canada seven long years of growing surpluses of gas in the west and continued indecision in the east. During those seven years we have seen oil pipe lines and the oil industry expand tremendously but in Canada gas has remained the one single resource of our country which has been so badly mishandled by politics that that resource still remains shut in. It is a resource whose present worth, having regard

to proved reserves today, is something over $2 billion at the well-head and is a resource which could become the basis for a great industrial future for all provinces of western Canada and a great stimulus to industrial development in eastern Canada as well. That resource is still shut in.

We have had some changes in thinking. At long last we now have approval, after about seven years, of the first gas line from western Canada across the Rocky mountains to the Pacific coast. The plan that has finally been evolved is a compromise one and it is not the most economic plan by any means. However, it is one which will at least this year finally get gas rolling. That compromise plan involves a high degree of co-operation between this country and our neighbour to the south. That co-operation is essential because Canada's west coast cannot possibly provide a market big enough to support any kind of pipe line from anywhere unless the biggest part of the pipe line through-put goes into United States markets. That is enough to be said for the system in the west. At last we shall get a pipe line built there now. I might say that had the government two or three years ago recognized the problems that are in the way, and had they recognized the solid basis for the fears entertained across the border that because of Canada's exportation act and the restrictions in that act there could be no trust on the part of United States consumers as to security of either flow or price of gas from Canada, the situation would be different. Had the government recognized those facts two or three years ago and had they brought down in 1953 or 1954 the amendments to the export act which were finally brought down in the spring of 1955, the pipe line to the west coast would today be in operation on a sounder and more economic basis, in terms of values of gas, for the governments of British Columbia and Alberta, and the producers of gas in the northern parts of those two provinces and on better terms for the consumers in British Columbia.

We now come to the pressing problem of what to do about a gas pipe line eastward. As this house knows, Mr. Speaker, several years ago—in 1952, as a matter of fact—I urged this house to accept an international arrangement which would involve United States gas flowing into eastern Canada and western Canadian gas moving across the prairies and southward into the midwestern states. That plan has now been accepted in part under the new compromise arrangement between Trans-Canada Pipe Lines Limited and Tennessee Gas Transmission Company. Part of this plan will involve a decision in this house in the next few weeks. In 1952 also—and many times since then—I tried to establish the fact that the all-Canadian pipe line, which all of us would like to see if it were feasible, was in fact a policy that could not be carried out without subsidies; that it could not stand on its own economic feet; that it was not financially feasible because banks, insurance companies and investors are not stupid enough to put their money into a proposition when they know they are going to lose. In any case, we finally reached the stage in January of last year when the all-Canadian pipe line concept fell flat on its face after it applied to the Canadian government for a guarantee of its bonds in order to allow a private company to carry out not what the pipe line company wanted to do but what the government said it had to do, namely to build an all-Canadian line before it could sell any gas in the United States market which was needed to help support the line. You know what happened to the bond guarantee. It was turned down. Incidentally, I was most happy to see it turned down. But that occurrence opened up a new problem. What could be an alternative? One would be to defer the all-Canadian line—in other words a line through a thousand miles of northern Ontario —until such time as eastern Canada's markets had been built up sufficiently to support such a project and in the meantime to allow western Canada gas to move into nearby United States markets and build up eastern Canadian markets with gas through existing pipe lines reaching from the southern United States. As I mentioned earlier, that plan has been accepted but the government, supported by the Ontario government, has ruled that, along with those two features of export to the United States from western Canada and import to eastern Canada from the United States, must come at the same time—before it is economically feasible or privately financially feasible—the northern Ontario line. That brings us up against the cold fact that there is a price tag on nationalism.

If we want this northern Ontario gas line now instead of when the north or eastern Canada can support it, then somebody must pay for it, and that is the proposition which the government of Ontario and the government of Canada have now brought forward. They plan to build this northern Ontario line as a joint government enterprise and to lease it to a private company, namely, Trans-Canada, who would carry out the more economic phase of the over-all plan.

There are some here and elsewhere who would like still to maintain their previous position of an all-Canadian project and get themselves off the hook by making this whole pipe line project from Alberta to Quebec a socialized project. I will comment a little

further on that in a moment. But the present proposal of Tennessee Transmission and the Trans-Canada Pipe Lines, coupled with the government part of the northern Ontario line, is one that can go ahead this spring only if the federal power commission of the United States will approve the import of Canadian gas into the midwest and the export of United States gas to Ontario and Quebec. Of course, most hon. members know that hearings before the federal power commission at Washington are due to start later this month. Quite frankly, the odds are against the early approval of that proposition by the federal power commission. The chances of approval were a great deal better a year ago; they were far better two or three years ago than they are now.

One of the prices that we have to pay for our indecision and our dilly-dallying around with this problem for several years in the building up of a set of circumstances, resentments and other things in the United States, which are prejudicing our chances now of quickly cracking the ice to get the markets which were ours for the asking not too long ago.

The great opposition to the importation of gas to the midwest stems from a group of United States pipe line companies who are already marketing United States gas in the area into which Tennessee Transmission would contemplate exporting Canadian gas. That opposition is led by Northern Natural Gas Company which supplies Minneapolis and other parts of the midwest. Northern, as many hon. members know, is a company which for a number of years has been a prime supporter of importing gas from Canada, and until the collapse of Trans-Canada's original project a year ago, Northern were intending to be the distributor, through their existing system, of Canadian gas in the United States midwest. They have now been frozen out. They are the company which had hopes of getting Canadian gas. They made a great deal of effort to get Canadian gas. They now dislike seeing somebody else bring the same product in to compete in their markets.

Some other utility companies farther south than Minneapolis take the attitude that at this stage they do not want to see a fresh competitor supplying the same product into areas in which they are now bringing United States gas, and in which they have a very heavy financial investment. I would suggest that that poses another problem. At least, it brings up another possible solution to the fix in which we are now.

May I summarize? We have ahead of us in this parliament some important crises that will have to be solved if we are to resolve this very serious gas problem in the future. We can accept the present compromise plan which this government has worked out in co-operation with the Ontario government, Trans-Canada and Tennessee Transmission; but the odds are against approval of that over-all plan in its present form by the United States federal power commission in time to start any construction in 1956.

In lieu of the present plan, we can urge on the government that the present plan be modified in the United States section by bringing in as participants with Tennessee Transmission in the line of connection at Emerson, Manitoba, where the Canadian gas would move south to the United States, the existing gas utility companies of the United States midwest. If we did that, we would perhaps eliminate their objections before the federal power commission. In other words, their position might then be not one of opposing a new competitor but rather of supporting a new supplementary supplier of gas from Canada, in which they themselves had a financial stake. It is a suggestion that carries a lot of merit. It is the only hope I see of getting any pipe line east from Manitoba started in 1956.

Then, we come to a third general proposition, and that would be to defer construction of the northern Ontario section of the line, that is, the government section, and redesign the United States territory links of this east-west pipe-line system. In other words, build a line from Alberta to Ontario, following roughly along the line of the route of the existing oil pipe line between Alberta and Ontario, which incidentally, is the lowest economic route and would not cross the areas in the United States now being served by existing United States pipe lines. It would reach into a part of the United States which does not now have natural gas, but is anxious to have it, and could absorb many times the amount of gas that could be marketed at this time in northern Ontario.

If that were done, then the northern Ontario line would be built a few years hence, at the time of the looping stage of the pipe line system. As hon. members know, the capacity of a line is limited by the size of the original pipe line. A 30-inch diameter pipe is now planned for northern Ontario. In a few years that line would have to be paralleled by another large-diameter pipe line to meet the growing market needs. But that parallel line or loop would not necessarily have to be laid along the same section of territory. It could go north of lake Superior, and at that time step into the eastern Canadian market built up in advance

for it, and could be supported without government help, as is the case with the present uneconomic pipe line in northern Ontario.

I might say that if we redesigned the United States section of the line there would still be no hope of getting any line built in 1956.

The fourth proposal which is made by some people is that we socialize this whole project, socialize Trans-Canada and build this whole system as a government operation from Alberta to Quebec. There are some who think that is an easy way out, and there are others who believe as a matter of faith that government ownership of projects such as these are in the best interests of the country. I want to say only one thing, namely, that an over-all government-owned pipe line would impose upon Canada a whole new set of problems. Gas is simply one of several fuels. To socialize the pipe line would bring Canada face to face with the problem of how to satisfy the coal miner, how to satisfy the coal operator, how to satisfy the railway worker who is transporting coal or fuel oil, how to satisfy the fuel oil dealer in Canada and those who are distributing or are in any way concerned with the production, transportation or marketing of these competing fuels.

If we socialize one fuel, we may be forced through necessity to socialize them all. In lieu of socializing the others we may be forced by necessity into setting up a new system to subsidize the low, free enterprise fuels to compete with the socialized ones. That is one of the problems we shall be faced with in Canada if we socialize the gas line.

The other problem is a very real one. If we socialized the gas line in Canada we would find ourselves face to face with a very strong new opponent to the import of Canadian gas into the United States. This new opponent would be the United States coal industry who, as a matter of course, opposes all gas and oil pipe lines in the United States, whether they are entirely domestic or international. If we gave the United States coal industry new arguments, if we gave the free enterprise United States coal industry, the free enterprise United States railway system, the free enterprise United States oil industry who are now being asked to compete in their home market with socialized fuel from another country, new arguments, I am very much afraid it would take years to break through the barrier of that United States border in order to get outlets we desperately need for surplus western Canadian fuel.

Mr. Speaker: Order. The hon. member for Cumberland.

Mr. A. R. Lusby (Cumberland): Mr. Speaker, in opening my remarks it is, of course, too late to be original in this, but I should like to add my very sincere congratulations to those which have already been tendered in the course of this debate, to the mover and seconder in respect to the resolution on the reply to the speech from the throne, on the very excellent manner in which they discharged their duties. I particularly wish to congratulate the hon. member for Timiskaming (Mrs. Shipley) upon the fact that of all of her sex she has been the first to have the honour of moving such a resolution in this chamber. I know that her enthusiasm for her task must have been greatly heightened by the fact that this year the speech from the throne indicated the imminent passage of legislation to provide that women shall receive equal pay with men for equal work in matters coming within the federal jurisdiction. Such legislation constitutes, I think, a very significant advance in the long march towards complete recognition of women's rights. I think also the Minister of Labour (Mr. Gregg) is to be congratulated, not only on the fact that this legislation is to be passed, but also upon the fact that it has first been given searching and careful scrutiny. It is true the principle involved seems to be simple and straightforward but I can readily see there may be many difficulties in the interpretation and application of the act when it is passed. After all, there are women concerned in this matter.

The speech from the throne confirms our knowledge that this year has been a prosperous one for Canada, and that those prophecies of depression and ruin which only a year ago echoed so freely and loudly from the opposition benches in this chamber have proved groundless. That is not to say that one can overlook the serious difficulties confronting the farming industry. It has always been my belief that prosperity in that industry is a necessary component of any stable and enduring national prosperity in this country. Therefore it is imperative that a solution be found for the difficulties which are now facing the farming population. However, this government during its tenure of office has acquired the habit of dealing effectively with all national problems which arise, and I am confident that it will take every feasible and desirable step within its power to deal successfully with this problem also, and not only the vexing problem of agricultural surpluses, but also the allied one of undue disparity between agricultural prices and cost of production.

Apropos of the western wheat problem, I might say, Mr. Speaker, this matter is being dealt with very ably by speakers from the

government benches, and I do not feel called upon to speak about it myself. However, in passing, I noticed the other day that when the Leader of the Opposition was speaking in this debate he suggested that certain low grade western wheat should be sold as feed grain in Ontario, Quebec and abroad. Those are his words as I got them from *Hansard*.

I should like to point out to the Leader of the Opposition that there are many farmers in the maritimes who are also substantial users of feed grains, and who have benefited greatly by the policy adopted by this government of granting freight assistance for the movement of western feed grains to eastern Canada, which includes the maritimes. Surely, Mr. Speaker, in any scheme to dispose of this low grade western wheat, the maritimes should be considered. I do not think any movement of that wheat eastward should stop in Ontario or Quebec.

In the field of external affairs the need, stressed in the speech from the throne, to maintain a strong North Atlantic Treaty Organization as part of an effective defence system cannot be too strongly urged, and it is my hope that while the military aspects of NATO are developed its economic aspects and implications will not be neglected. Among the organization's aims is the co-operative fostering and strengthening of the economic life of its member states, and today, with the effective waging of war so largely based upon industrial strength, a strong economy is as essential to any nation for defence as a large army or modern air force. Effective defence is closely geared to the economic strength of a nation. Moreover, an impoverished economy in any nation is a direct invitation to communism.

I should also like to commend the government upon its decision to give continued support to the United Nations. And in this connection I wish particularly to congratulate the Minister of National Health and Welfare (Mr. Martin) upon the important role he played in obtaining the recent admission of additional nations to UN membership. To my mind, one of the marked weaknesses of the United Nations has lain in the fact that, with so many qualified states denied admission, it was not truly a representative world organization. The recent increase in its membership has done much to alleviate this situation, and should add greatly to the stature of the organization as a working instrument for the preservation of world peace. The minister can take justifiable pride in the fact that the Canadian delegation, under his guidance, led the way in bringing about this favourable result.

In this debate, Mr. Speaker, the contributions of most members are in part at least a sort of "state of the constituency" message, and I naturally wish to observe the custom by placing before this house some of the needs and aspirations of my own constituency.

In my constituency of Cumberland, Mr. Speaker, the year has been generally a good one, although our farmers have been confronted by difficulties, as have farmers elsewhere. Lumbering and industrial activity has continued at satisfactory levels. The coal mining industry, which, of all our industries, is to me the cause of most concern, has held its own, with the prospect that it can continue to do so, although the seasonal lack of orders during the warm weather months remains a problem for the smaller, independent mine operators.

Here let me say, Mr. Speaker, that while the long-range prospects for our Nova Scotia coal industry encourage no undue optimism, the fact that there has been some improvement during the year indicates the importance to the industry of a high level of industrial activity in Canada generally. Given that, our coal industry may face the future with greater confidence. For example, in my own town of Amherst, which is an industrial town, the high level of industrial activity which I may say has been aided substantially by orders and contracts from this government, has been of very material benefit to the Cumberland coal mining industry.

In this connection also, I should like to suggest to this government that the development of our Canadian steel industry, that great user of coal, particularly in eastern Canada, would be of incalculable benefit to our coal industry and I believe could prove its ultimate salvation. It would certainly remove to a large extent the cloud of uncertainty which still hangs over the future of the industry. Of course, the freight subventions paid by this government, including those of the past year, which were successfully designed to aid Nova Scotia coal in finding a sales outlet in Great Britain and continental Europe, have remained a chief prop of the industry.

I should like to suggest that this government co-operate in every possible way with the provincial governments concerned in an effort to implement the recommendations contained in the Christie report, which envisages the widespread production and distribution of electrical power throughout the maritimes produced by a system of coal-burning steam plants. In my opinion, in the production of electrical power by the use of coal-fired steam plants lies the true future of maritime electrical development, far more than in any hydro development that could be contemplated.

I have said that in my constituency this year has generally been a good one, but in Nova Scotia and in fact throughout the maritimes we need something more than an assurance of a good year. I think more than any other part of Canada we need the assurance of a good future, a stable and prosperous future. Today it borders on the trite to say that, economically and otherwise, Canada has a brilliant and prosperous future. For the country as a whole and for the more fortunate provinces that is entirely true, but if that future is to be brilliant and propitious in every respect, then we must be able to apply that saying with equal aptness to every province of this dominion.

While I do not suggest at the present time that we in the maritimes are facing the future with any pessimism, because we certainly are not, yet we are well aware that, regrettably, and so far inescapably, we are more vulnerable to any adverse economic winds that may begin to blow than any other part of Canada.

It has been said by the Prime Minister that there is a growing spirit of Canadian unity. Again, that is perfectly true, but if that spirit is to reach full fruition efforts must be put forth to ensure that every province of this federated country shall share in an equitable degree in the prosperity and development of the country as a whole. There is nothing more conducive to a spirit of disunity, or at least a spirit of apartness, than the existence of a pronounced gap between the prosperity and economic level of certain provinces and the prosperity and economic level of other provinces. While substantial gains have been made in the less favoured provinces in raising their economic levels, the gap does remain substantial. I think that every effort should be made to see that every province shall enjoy fully an adequate economic level as compared with any other province.

What should be the role of the federal government in this regard? In spite of the somewhat chilling influence of the British North America Act, the concept of the federal government as a significant factor in the economic life of this country has broadened vastly since the days of confederation. Always, of course, the federal government has been accustomed to act within its own jurisdictional fields, as defined by that act, not only to protect the interests of Canada as a whole, but to undertake, wherever real need may exist, such useful projects as fall within those fields, even though primarily calculated to create benefits of merely provincial or at most regional scope. I refer to such things as harbour improvements in Halifax or the building of a canal in Ontario. Nor has this restriction of the benefits in such cases to provincial or regional scope been in itself deemed a valid objection to federal action within federal fields of jurisdiction.

In more recent times, however, we have seen a far-reaching extension of federal activity, sometimes with provincial participation, sometimes without, sometimes with the sanction of a constitutional amendment, sometimes without, into fields where the venerable fathers of confederation, even if they could have envisaged the subjects at all, would never have expected the federal government to poke its nose. There are many instances of this, such as unemployment insurance and assistance, old age assistance, blind and disability pensions, indeed the whole realm of social security. In addition there are such things as the trans-Canada highway, disaster relief and public health. In my opinion these are all prime examples of that slow extension of federal activity into broader and broader fields of national life. In each case, of course, federal participation has been explained by the fact that it is deemed to be a matter of national interest or concern and that to deal with the subject adequately is beyond the available provincial resources.

In my opinion, the over-all effect of these extensions of federal activity and the resulting greater impingement of that activity upon the economy of the country has been to lessen the gap which exists between the economic levels of the less fortunate provinces and those of the more fortunate and therefore to foster in no small degree that spirit of national unity which, as the Prime Minister has said, is indeed growing and steadily knitting this country into a true national entity, however diverse its components.

But the gap, the disparity between the economic levels of the two classes of province, still remains substantial, far too much so. I submit that the federal government should undertake, not tentatively, not sporadically, but as a matter of settled and continuing national policy, the narrowing of that gap, the lessening of that disparity, by every feasible means at its command. Thereby can be achieved a signal contribution to the cause of Canadian unity and true future greatness.

Let me suggest one way in which this government may within its own established constitutional sphere advance such a policy. I think it is generally agreed that the vast concentration of industry in certain restricted areas of the country is to be deprecated. I do not think that anyone would wish to have all industry concentrated in two or three or four small areas of a country. Of course, no one will question the right of the industrialist to locate his plant wherever he considers it most

advantageous to do so, but it seems to me that a proper system of allocation of government contracts and orders could be used so that those regions which are most in need of industrial building up would be encouraged. If that were done, not only would those regions, —and of course the maritimes are one of them, —which require greater industrial activity be encouraged to build up their industrial economies; it would also to some degree tend to halt or at least slow down the existing concentration of industry in areas already overdeveloped.

When I say that the government should adopt as a national policy the task of lessening the economic gap between different provinces, it seems to me that this may, and probably would, involve further advances by the federal government into spheres of activity that hitherto have perhaps been considered purely provincial preserves: a greater degree of federal participation and assistance in projects which, in the past at least, would have been considered of only provincial concern. Undoubtedly here constitutional problems cannot be ignored, and, of course, there are many provincial rights and privileges which must be jealously guarded. I am certainly not one to advocate the destruction of any essential provincial rights. Nonetheless, I do submit that the British North America Act, which is the foundation stone of our constitution, never was intended to be in the nature of a straitjacket against legitimate Canadian development, certainly not a rack upon which the economy of any one province should be warped.

The Prime Minister has very properly said that this government must be most careful in expending in any one province moneys raised from the Canadian taxpayers as a body. Certainly such caution is required; nor do I advocate any wholesale federal participation in purely provincial projects. The hon. member for Saskatoon (Mr. Knight) this morning propounded a list of questions to which he said the Prime Minister had answered no. There is one question to which the Prime Minister and this government have always said no, and that is to the question, "Will you countenance any wasteful or inexpedient expenditure of public moneys?" I hope they will continue at all times to say no to that question. Nonetheless, if in any of the less favoured provinces there is some useful project which would have the effect of substantially promoting the economic life of that province, and if the financial resources of that province are not adequate to carry the load, I submit that then federal participation in such a project should be deemed legitimate and proper and that, above all, the question of such participation should be faced boldly and not with any undue constitutional qualms. As for the Canadian taxpayers, a wise and sound application of such a policy would in the end prove for them the old story of bread upon the waters.

Turning again to my own province and constituency, I note that there is no mention in the speech from the throne of any specific federal or joint federal-provincial undertaking in Nova Scotia. That is hardly surprising in view of the fact that a number of such projects have only recently been completed, ranging from the Canso causeway to the Yarmouth-Bar Harbor ferry service. Yet I hope that in the not far distant future some speech from the throne will foreshadow the appointment of a royal commission to inquire with the utmost detail into the feasibility, the cost and the economic benefits to be legitimately expected from the construction of a canal across the isthmus of Chignecto.

This matter has been broached in the past and was broached earlier in this debate by the hon. member for Westmorland (Mr. Murphy). I myself have spoken about it on numerous occasions and, like him, I shall continue to do so. I have never been one of those who take the view that we should build the canal first and then discuss the probable economic benefits afterwards. In common with most of those who have given some attention and study to the project, I am reasonably confident that a thorough investigation into the matter by a royal commission would give a favourable answer to the question whether the economic benefits to be derived by the Atlantic provinces, and indeed by Canada as a whole, would justify the expenditures which would be entailed. If that question were once favourably answered, I am confident that the construction of the Chignecto canal would not be long delayed. Certainly the people of the maritimes are entitled to have that question considered and to have it answered definitively once and for all. I therefore urge again the appointment of a royal commission to investigate the matter in its every aspect and to answer that question. I hope and believe the answer will be a favourable one.

The Chignecto canal, when constructed, will lie upon or close to the northern border of my constituency, which, as many know, is connected with the neighbouring New Brunswick constituency of Westmorland by the isthmus of Chignecto, which is of great importance in that it links the mainland of North America to Nova Scotia. If we cross my constituency to the southern side—that is, the Minas basin shore—we find there at the present time a pressing need for another transportation link: the re-establishment of a ferry service from the Cumberland county shore across Minas basin to the Kings county shore. Here a short water trip of approximately seven miles would obviate for commercial and other road traffic a trip around the head of that body of water of some 20 times the distance. Consequently, as a stimulus to commercial road traffic between the Annapolis valley and Cumberland county, eastern and northern New Brunswick, and even so far afield as Quebec and Montreal, that ferry link would be of inestimable benefit. To the tourist trade it would be a natural complement to the Yarmouth-Bar Harbor ferry service which has been recently established. Yet, after many years of operation, that ferry service was discontinued during the last war, and it has not been resumed, in spite of the vastly greater need for it today than ever existed before.

A strong and vigorous association, the Minas basin ferry association, has now been formed to press for assistance in re-establishing this service. The cost of deep water terminals which would enable the ferry, unlike its predecessors, to operate at all stages of the tide, will undoubtedly be substantial. Although I have no doubt that the provincial government would strongly favour this project, yet it may well be that it will fail for lack of financial means unless a measure of federal aid is forthcoming. It is my earnest hope that any representations of the Minas basin ferry association to Ottawa in this connection—and I hope they will be fortified, as I expect they will be, by all available facts and figures to prove the extent of the advantages to the economy of Nova Scotia and the maritimes—will meet with a favourable reception here.

I am aware that, unlike the Chignecto canal, which is a matter entirely within the jurisdictional responsibility of the federal government, the Minas basin ferry service, since it is projected to operate only between two points in the one province, is in a somewhat different category.

Our old friend the British North America Act expressly places ferries operating between two provinces or between Canada and another country within the federal orbit of jurisdiction, but I believe that its silence with regard to ferries operating only between points in one province has been interpreted by our courts as meaning that the latter type of ferry falls within the provincial sphere.

Yet is it not somewhat illogical, Mr. Speaker, to suggest that if the Minas basin ferry happened to operate across the headwaters of the bay of Fundy, let us say, to some point in New Brunswick, it would be a legitimate object of federal bounty, while if it operated only between two points in Nova Scotia it would not be? After all, one of the primary objects of the ferry service would be to promote trade between the Annapolis valley and points in New Brunswick, definitely interprovincial trade. As I said, it would shorten the trucking route very substantially.

Here, I think, is a striking opportunity to apply the principle I was advocating a few moments ago, that if a project will have the effect of materially strengthening the economy of one of the less favoured provinces, yet the project will fail without federal assistance because of lack of provincial financial resources, that project should be a legitimate object of federal participation. There are precedents for subsidies to ferries operating only between provincial points, and in fact prior to its discontinuance during the war this particular ferry enjoyed a modest federal subsidy, though possibly the constitutional question was skirted to some extent there by the fact it was then operated by the Dominion Atlantic Railway, which is a subsidiary of the C.P.R.

In any event, jurisdictional question or not, the matter of federal aid in the re-establishment of this ferry service is certainly one deserving of the most careful and sympathetic consideration, and I earnestly ask that it be given such consideration whenever it is brought to the attention of the government.

There were one or two other matters I wished to mention in connection with my constituency, but I think I will simply refer to one more, the matter of the program of building armouries. This of course concerns the Department of National Defence. I understand there is a need for new armouries at many points in the maritime provinces, and I am particularly concerned about the town of Springhill, which had a very fine record

during the last war, and indeed during both wars. Its sons joined the colours freely, fought bravely, and the muster roll of the dead and wounded is very great for a town of that size. The people there support militia training very strongly, yet there is only an old wooden building which serves as an armoury and is most inadequate for the purpose. True, it was fixed up. It was condemned a year or so ago and some money was spent in repairing it. I suppose the militia can carry on with it, but certainly it is not the type of accommodation they should have.

I understand there are many other places where there are perhaps no armouries at all, and that the allotment of funds under the armoury building program is such that it will be years before the program is completed. I think we are all agreed that the problem of national defence is going to continue for years to come as one of the foremost problems of the government. We know that the Geneva spirit evaporated. Personally I never had any expectation that it would do otherwise. For the foreseeable future Canada is going to have to maintain immense armaments and be ready for any eventuality. Surely if that is the case and men are to be trained against the prospect of war they are entitled to every facility to enable them to become efficient soldiers.

Therefore I urge the Department of National Defence to enlarge and hasten the program of building armouries, for after all an armoury is a very important part of the training of the militia. I urge that the program be speeded up, and I sincerely hope that in the very near future the town of Springhill will be provided with a fully adequate armoury.

Mr. W. G. Blair (Lanark): Mr. Speaker, I first wish to add my words of congratulation to the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne. Their speeches were well delivered and well prepared.

It is an unusual fact, sir, that exactly a year ago today at about this time in the afternoon I had the pleasure of following the hon. member who has just completed his speech. There have been many subjects under consideration in this debate and many problems have been presented to the house. The problem I wish to present to hon. members today is the problem of the agriculturists, not only in my own constituency of Lanark but in the Dominion of Canada as a whole.

Yesterday the hon. member for Oxford (Mr. Nesbitt) placed before the house the condition of the cheese producers in his own riding and in the province of Ontario generally. I find myself in complete agreement, because in the speech I made a year ago to which I have referred I dealt with this very same matter. I reached the same conclusions; therefore I congratulate him on the speech he has presented to the house dealing with that question.

I am also well aware that there is a problem in the Canadian west in connection with the disposal of wheat, a problem that is apparently causing hardship to the farmers. I am aware that the marketing of wheat is important to the whole economy of Canada. In dealing with the question of dairy products today may I say that I have not changed my position with regard to the importation of New Zealand cheese. I find there is a desire even in my own riding that some form of protection should be afforded the dairy farmers, and they have even asked for protection on cheese at the rate of so much per pound.

But I wish today to take up the question of butter and the surpluses existing in Canada at the present time. This is another problem of the dairy industry that we had last year. The Minister of Agriculture (Mr. Gardiner) has consistently pointed out that there is no surplus of butter, and I might say he couples with that the statement that if we sell ten or twelve million pounds there will be no surplus of butter in Canada.

Mr. Gardiner: No troublesome surplus.

Mr. Blair: Oh, "troublesome" has entered into the picture. That is a little different.

Mr. Gardiner: It has always been in there.

Mr. Blair: I note that on December 23 in a letter to the Winnipeg *Tribune* the Minister of Agriculture sought to clarify his viewpoint, and he stated at that time:

> I said in every statement I have made that after we have sold ten to twelve million pounds of butter there will be no real surplus in Canada. We require what is left to have a sufficient supply of butter at all points across the country.

It does seem odd to me that we will have no surplus if we get rid of ten or twelve million pounds. Yesterday the Minister of Trade and Commerce (Mr. Howe) in a very optimistic speech to the house—and I have no doubt he has grounds for his optimism—pointed out the heavy demand for such commodities as iron, copper and nickel. This will have little bearing on the financial condition

of the farmers in my riding, where one of the chief occupations is dairy farming.

I find the position of the Minister of Agriculture difficult to understand in view of his persistent statement that there is no surplus, when reputable statistics reveal a surplus varying anywhere from 50 to 60 million pounds. It is a peculiar fact that speeches made either by himself or by others interested seem to take a certain line. We even find such statements made by officials of his own department. This line seems to take the following viewpoint: "The production and the consumption of butter are gradually getting closer together."

We hear that on all sides. It may be that in the long run they are getting closer together. We may be approaching the place where the production of butter may be equal to the domestic consumption, but we are a long way from that position. This result could only be achieved by an increase in the population of this country of possibly several million people. At the rate people are coming into this country—at rates accomplished by the Department of Citizenship and Immigration, judged by last year's figures—that period is many years away.

The Minister of Agriculture has attempted to place himself in a position—at least it seems that way to me—wherein any attempt to criticize this surplus might be regarded as unpatriotic. First he points out that a certain amount is required for pipe-line needs. I think we would all agree in this house that we have had enough controversial debates about pipe lines without bringing in the butter situation. But at all events he points out the need for a supply of butter to the consumers. Then he points out that a large amount of butter is required for stabilization. That large amount of butter is somewhat indefinite. He points out that any amount is not surplus. His position is simply this. There is no surplus after we get rid of the surplus. You remember the old saw; if we had some bacon and if we had some eggs, we could have eggs and bacon.

Let us consider the position in Canada at the present time. The Canadian government floor price on butter is 58 cents per pound. The sale made to Czechoslovakia was at 37 cents a pound. But at the time that sale was made—the house was sitting last June and July—vigorous protests were made about the sale at that price to the communists. In the meantime New Zealand has protested to Canada against sales of this type. Since last fall the Canadian government has protested to the United States with regard to the United States policy of wheat marketing. New Zealand has now accused Canada of being guilty of the same sort of thing with butter as the United States is doing with wheat. The Canadian government has given assurance to New Zealand that our sales of butter on the world market would not be injurious to New Zealand trade. It is therefore apparent that in the government's policy there is some conflict between the marketing of butter and the marketing of wheat.

As I said, the first sale of butter to Czechoslovakia was in July of 1955. One must note that it was sold for export at a lower price than the market value here. It therefore did not interfere with the world price, which at that time was about 41 cents a pound. The cost of shipment in this case will be 3 cents a pound, and another 3 cents could be allowed if it were necessary for making it salt-free.

Another opportunity arose in November to sell eight million pounds to East Germany. In this case the price was 37 cents, which could be considered the London price less the cost of shipping. This month there is a further sale of one million pounds to Czechoslovakia at 39 cents a pound, but a new factor has entered into the business and that is probably the cause of the protest which New Zealand has made. I refer to the fact that there has been a rise in the world price of butter of about 9 cents a pound in the last few weeks. The price in London is now approximately 48 or 49 cents for Australian butter, slightly higher for New Zealand butter, and again a slightly higher rate for Danish butter. These are the sales which the government has made in an attempt to get rid of its so-called surplus. In view of all the statements that have been made the question arises, what is the amount of surplus butter on hand?

The province of Manitoba has entered into the dispute. Their department of agriculture has made a statement to the effect that the real surplus of butter amounts to about 50 million pounds. The national dairy council of Canada gives a much higher figure. Based on dominion bureau of statistics data I was able to work out the following statistics, and I should like to present them to the house. This is a table of dairy production and consumption trends. First we consider the livestock population of this country as of June 1, the number of milk cows on the farm. I go back for several years in arriving at these conclusions:

DAIRY PRODUCTION AND CONSUMPTION TRENDS

LIVESTOCK POPULATION (June 1st)—	1951	1952	1953	1954	1955
Milk cows on farms	2,908,000	2,968,000	3,146,000	3,233,000	3,312,000
		1952/51	1953/52	1954/53	1955/54
Actual change		60,000	178,000	87,000	79,000
Percentage change 1955/1951	+14 per cent.				

MILK PRODUCTION (million pounds)—	1951	1952	1953	1954	1955 (est.)
Production	15,310	15,735	16,449	16,884	17,300
		1952/51	1953/52	1954/53	1955/54
Actual change		425	714	435	416
Percentage change 1955/1951	+ 13 per cent.				

CREAMERY BUTTER (million pounds)—	1951	1952	1953	1954	1955 (est.)
Production	257	281	303	313	318
Consumption	268	275	286	293	301
Exports	1	1	—	—	9 (preliminary—includes Jan./56)
Imports (by govt. or under govt. permit)	17	4	—	—	—
Stocks (Dec. 1)	56	66	82	103	114

Excess of production over consumption 1951 to 1955—*51 million pounds.*
Excess of imports over exports 1951 to 1955—*10 million pounds.*

Per capita consumption	19·2 lbs.	19·0 lbs.	19·3 lbs.	19·3 lbs.	19·2 lbs.

OLEOMARGARINE (million pounds)*—	1951	1952	1953	1954	1955 (est.)
Consumption	107	111	110	116	125
Per capita consumption	7·6 lbs.	7·7 lbs.	7·4 lbs.	7·6 lbs.	8·0 lbs.

* In recent weeks product being sold under brand name *coloured* spreads with heavy promotion in province of Quebec with nearly one-third of total population.

As the table suggests, in recent weeks a product has been sold in the province of Quebec under the name of coloured spreads, and the province of Quebec has a very large population. No doubt the sales of that spread will go up and will help to maintain a higher average of edible oil consumption in the Dominion of Canada. I have another interesting table here on creamery butter production and stocks estimates. It is as follows:

Creamery Butter Production and Stocks Estimates	lbs.	lbs.
December 1, 1955—Stock ..	114,073,000	
Estimated production Dec.-Apr. (+ 10 per cent over last year)	76,431,000	
Supply available	190,504,000	
		(alternative)
Estimated domestic disappearance Dec.-Apr. (same as last year)	114,225,000	117,423,000 (+ 2·8% pop.)
Estimated exports	3,000,000	3,000,000
Total disappearance	117,225,000	120,423,000
Estimated stock May 1, 1956	73,279,000	70,081,000
Pipeline needs	10,000,000	
Surplus	63,279,000	

In regard to production, it has been said that last year was a bad year for production in the province of Ontario. There is no doubt that parts of this province had one of the most severe droughts that we have had for years. It was one of the driest years on record, and one would have thought that would have had considerable effect on the output of dairy products. Yet throughout the whole period of the summer production remained steady, or there was a slight increase. Therefore this fact will not bear out the argument that a large supply on hand is required in case of an emergency. I believe that figures are sometimes tiresome and difficult to listen to, but on the other hand facts must be brought out.

Mr. Gardiner: The hon. member realizes that he left out dairy butter.

Mr. Blair: I will speak on the dairymen later. I know the minister says that. He has already given warning that we must not talk about stocks of butter and we must not talk about butter in storage.

Mr. Gardiner: I am not saying that at all. I am simply saying that you cannot operate in this country without a storage of butter in the summer to carry the consumers through the winter.

Mr. Blair: I know we cannot. Therefore in general, sir, these figures would show an estimated stock of over 60 million pounds of butter on hand. Included in the set of figures I have given is the consumption of oleomargarine.

In considering this whole matter I gave warning to the Department of Agriculture, and to the whole dairy industry, that for some unexplained reason the fact is not yet realized that edible oil products are making dangerous inroads into the dairy industry; that at the present time at least one-third of the dairy industry market is gone, and that the milk producers are being lulled to sleep by statements that these products are not presenting the danger that was at first considered.

When the daily newspapers across Canada, about September 1, told the story of the sale of butter to East Germany, there was included as part of the story the following:

> Government statistics show total butter consumption as continuing to go up although per capita consumption has remained about the same. In any event, margarine has not made the inroads on sales that it was feared it would.

There might be a grain of truth in the statement that would make it palatable to some, but there are other facts which have not been taken into consideration. In fact I consider that some facts are not known and they should be known. Some of these things have been distorted. No account has been taken of the growth in our population, and the fact remains that the consumption of butter has been standing still in recent years, despite the fact that our population has increased by more than two million people.

If we consider it on a per capita basis, there is no doubt that in view of our population growth it is clearly proven that the dairy farmers have lost one-third of their market owing to the inroads of edible oils. Figures have been juggled, and the dairy farmer is presented with a figure that is calculated to lull him to sleep under false security. If we consider the statement that there has been no loss, we find that the revised figure for the 1948 total butter consumption, before margarine, was 342 million pounds. In 1954 it was 312 million pounds, which would show a loss of 30 million pounds.

In the first year after substitutes were allowed the per capita consumption dropped to 22·11 pounds, and in 1954 there was a further drop to 20·69 pounds. In the year 1954, the year of substitutes, the consumption of those substitutes showed an increase of 10·9 pounds. This occurred in eight of the provinces where it was legal. This clearly shows the loss to the Canadian dairyman of a third of his market. This is a problem which the Canadian government should fully realize, and it should appreciate that it has

grave responsibility in this respect. If action is not taken in this matter the Canadian dairy industry, as a great industry of the Dominion of Canada, will become a thing of the past.

It has become a fact, Mr. Speaker, that we have arrived at the unusual position where agriculture has become depressed, while there may be and is a boom in other sections of our economy.

In this same debate a year ago I pointed out the importance to our whole economy of the buying power of 450,000 dairy farmers in the Dominion of Canada, who together with their families and all the people who are connected with the dairy trade consume large quantities of manufactured goods. In fact the average farmer buys in the proportion of four to one as much in goods of every description as does the average urban consumer. Not only does he buy the necessities for his household, but he buys the products of industry in the nature of farm implements and machinery which he uses in his work on the farm. However, one thing is becoming increasingly apparent; that is, that the value of farm production is dropping; yet the farmer is still faced with high costs of the goods he buys while farm prices have not been increased. While this may make for cheaper food products, yet it is a condition of unbalanced economy which cannot be favourable to a great industry.

Then, sir, I would like to point out to you that at a meeting in London, Ontario, last week the Ontario chamber of commerce seemed to be very much aware of this situation. They agree that farm people are aware of the seriousness of the cost-price squeeze which has drastically cut farm income, and they are ready to discuss this matter.

The Minister of Agriculture in his speeches has taken pains to point out the fact that a large quantity of butter is considered necessary beyond immediate needs, to stabilize the price of butter, and he has pointed out that shortage of butter in one year brought extremely high prices to domestic consumers. Surpluses of some farm products and the recent developments in international trade have placed many Ontario farmers in a hopeless competitive position. The winter of 1951 was the year butter approached a price of 85 cents. It was known to the Department of Agriculture, months before, that a serious shortage of butter was in sight.

Mr. Gardiner: The year you started your statistics, too.

Mr. Blair: Yes. In fact it should have been known to the Department of Agriculture six months before this price was reached because in October, 1950, the board of directors of the national dairy council brought this matter to the attention of the government at a meeting with the chairman of the agricultural prices support board. They discussed this matter of the high prices that butter would reach unless steps were taken to increase the supply of butter through importations, with a view to protecting the people and preventing such a condition occurring.

The only way in which a rise could be prevented was by having on hand a sufficient supply of butter to prevent such a shortage and a consequent rise in price. Four months later the same organization, the national dairy council, again inquired if there was enough butter on hand to meet the needs of the consumers, and asked if any action had been contemplated by the agricultural prices support board to make sure that such a stock was on hand to relieve the situation.

This would seem to clarify the situation when the minister, in his speeches, points out that he is holding a large stock of butter on hand in order to stop speculation and to stabilize the market. However, during January and February of the year 1951 the trade was responsible for the importation of about 5 million pounds of butter to meet the shortage. When the agreement for the importation of 5 million pounds had been completed, order in council No. 372 was passed dated January 24, 1951, at the instigation of the Minister of Agriculture, prohibiting any further imports.

It is a rather amazing fact that three days later the order in council was rescinded. This fact would seem to refute any arguments of the Minister of Agriculture that he has been responsible for the protection of the consumers, and his arguments of this date concerning the stabilizing of the price of butter. At the present time no doubt he uses this argument about stabilizing the price when he has an enormous quantity on hand.

The floor price of 58 cents per pound is absolutely necessary, because without a floor price of this amount there would be utter chaos in the whole dairy industry. However, in consideration of present conditions there are certain facts which we must recognize.

Mr. Gardiner: If my hon. friend is through with the other matter of importation, will he permit a question?

Mr. Blair: Yes, but I am going to finish this speech and then the minister can finish his speech later.

There is a trend toward increasing production, and even some increase in consumption. The argument that consumption and production will balance within the next year cannot

be proven, nor will this occur for many years to come, assuming that these rates continue, until Canada obtains a larger domestic market. As I stated before, a larger domestic market will only occur in the event of greater immigration to this country and an increase in its population. The development of our natural resources and increased manufacturing in Canada will necessitate a larger population and hence the increased market. A population increase of ten million people or more would take care of all our agricultural products, and possibly we would have none for export except wheat.

There is one bright spot in this picture and it concerns my own profession, because doctors are continually warning us to be discreet in our diet. There has been an attempt by those who market food to advise us to eat more butter, meat, apples, cheese and a hundred other prepared products. It is quite obvious that we might destroy our health by stuffing ourselves in an attempt to stabilize conditions, and thereby might suffer from indigestion. In this regard I might point out that under present conditions the government in its attempt to deal with surplus products is suffering a great deal from political indigestion.

It is not sufficient to obliterate the facts in this serious matter of agricultural commodities with a maze of figures. The facts must be faced, and no attempt made to create an optical illusion by figures will satisfy the Canadian farmer who finds himself in serious difficulty.

The dairy industry is vital to the economy of large segments of Canada. The government must come to grips with this problem; otherwise we are going to see the deterioration of an industry highly important to the economy of Canada.

Mr. Gardiner: Is it not correct that in 1951 17 million pounds of butter were brought in, during the period spoken of?

Mr. Blair: That is quite possibly so.

Mr. Gardiner: You gave earlier the figure of 5 million pounds.

Mr. Blair: At the same time there was an order in council, that lasted three days, against any further importation.

Mr. Gardiner: Yes, but the butter was brought in.

Mr. John Decore (Vegreville): Mr. Speaker, may I first of all join with those who have preceded me in this debate in congratulating the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. The way in which these two hon. members acquitted themselves has brought honour not only to themselves but to the constituencies which they represent.

I am sure I am expressing the sentiments of all of us in this house when I say that we are happy to see the Minister of Mines and Technical Surveys (Mr. Prudham) again in good health and now able to continue with his duties.

I wish to inform this house with considerable regret that last Thursday in my constituency one of the old pioneers by the name of Wasyl Eleniak passed away. At the time of his death he had passed his 96th birthday. I mention his name because he was the first settler of Ukrainian origin who came to Canada. He and another man by the name of Pylypiwsky arrived in Canada in 1891, just 65 years ago. Mr. Eleniak was a fine example of a good Canadian, one who had vision and faith. After his arrival he witnessed the coming to Canada of thousands and thousands of his fellow countrymen who made their homes here. He also witnessed the contribution which those people made to Canada, both culturally and economically. Those people came from a land where they knew nothing but tyranny and oppression, and he witnessed the enthusiasm, the zeal and the love with which those people embraced their newly adopted land.

During the course of this debate considerable reference has been made to the wheat situation which exists in this country. As one representing a rural constituency engaged primarily in agriculture I should like to deal with the problem we are faced with in the marketing of our grain. I do this because I think there has been a lot of misrepresentation. There has been a barrage of criticism; and many uninformed solutions, such as barter trades, the acceptance of soft currencies, the acceptance of other fancy deals, have been suggested which if carried out would almost certainly have the tendency to destroy the wheat board system of marketing our grain.

We are all aware that there is a problem today which faces the western producer. The wheat board faces greater difficulty in the marketing of grain than at any time since the last war. The government is aware of this situation and has indicated this in the speech from the throne in the following words:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being. In particular, although sales of wheat in the past five years have been at record levels, an unprecedented series of bumper harvests has made necessary the storage of abnormal stocks of grains both in elevators and on farms.

I think that is a clear, concise and frank statement which recognizes the problem.

Everyone knows that the marketing of wheat is not merely a Canadian problem, it is international in scope. I should like to refer to a statement made in the house by the hon. member for Lethbridge (Mr. Blackmore), who has been a very strong critic of this government. I want to quote his figures as they appear on page 94 of *Hansard* of January 13. The hon. member said:

> Already embarrassing world supplies of wheat have been augmented by a 1955 world total production of 7,300 million bushels, compared with a 1945-49 average of 5,895 million bushels and a 1935-39 average of 6,085 million bushels. By reference to some of these figures of production we see that we have accumulated close to 1 billion bushels of surplus wheat in the world for 1955 alone.

Let us consider the situation in France. We find that in 1935-39 France imported annually 2·5 million bushels of wheat, but in 1955 France exported 92 million bushels of wheat. We find the same situation existing in other countries. This is due to the fact that there has been a heavy subsidization of wheat production in many countries of the world. This has been one important factor in the creation of this problem, and one over which the Canadian government had no direct control. All Canada can do, and I believe this is what we are trying to do, is to convince the importing countries that when the exporting countries are able to meet their needs it is not economically sound to encourage production by means of high internal prices.

Another factor which has contributed to the wheat problem and over which Canada has no control is the method followed by the United States in the disposal of their surplus grain. When we compare Canada with the United States we find that the population of the United States is over ten times that of Canada. We find that of every five bushels of wheat which they produce they are able to consume four bushels right at home. They can almost afford to give away the other bushel, or if they preferred they could even dump it in the ocean. Out of every five bushels of wheat produced in Canada we can hardly consume one bushel. We must find an export market for the other four bushels.

Since the United States has had thrust upon her a position of leadership in the western world she has felt compelled to give aid to many of these countries, and as one method of getting rid of her wheat she is disposing of it in the form of foreign aid. This country cannot afford the luxury of competing with the United States in the methods they use to dispose of their wheat.

A third and I think the most important reason for this problem, and one over which this government could hardly have any direct control, is the superabundant crops we have had in Canada during the last five years. Reference to the Canadian wheat board report as revised—these figures have been quoted already—will show that for the years 1941-50 the average wheat crop was 362 million bushels, whereas during the last five years the average crop according to my computation was 506 million bushels. The world is simply not in position or is not able to absorb this five year record crop production in Canada, and the result has been that some has had to be carried over on the farms and in elevators.

As I say, the government of Canada has had no direct control over these three important factors which have caused the present world wheat problem.

In spite of these difficulties, what has the government succeeded in doing? I might say that in spite of strong protests from many quarters of Canada, the federal government has respected and upheld the wishes of the western producer by maintaining the wheat board system of grain marketing. This is a very important matter for the farmer of western Canada, who has been fighting for this for so many years. The farmer remembers the hungry thirties, a similar period of unsold surpluses, when in Alberta wheat sold for as low as 18 cents a bushel and at the same time no significant reduction was made in the surpluses.

The wheat board has adopted a policy whereby it has refused to handle surpluses by selling at greatly reduced prices. The wheat board levels things off. It does not throw our wheat on the world market. That does not mean to say it has to sit back and wait. It must be realistic, but it does not have to have a fire sale of the wheat.

Let us look at the record. If we refer to the wheat board report we may see what the farmer has been able to sell during these record crop years as compared with other years. If we take the ten-year period we find in the wheat board report the following round figures, obtained from the Board of Grain Commissioners for Canada, of producers' marketings of western Canadian grains: 1941-42, 227 million bushels; 1942-43, 267 million bushels; 1943-44, 329 million bushels; 1944-45, 351 million bushels; 1945-46, 237 million bushels; 1946-47, 335 million bushels; 1947-48, 247 million bushels; 1948-49, 294 million bushels; 1949-50, 320 million bushels; 1950-51, 368 million bushels. The average, according to my computation, is 295½ million bushels annually. Compare that with the crop years 1951-52 and following. The figures, again, are as follows: 1951-52, 455 million bushels; 1952-53, 535 million bushels; 1953-54, 397 million bushels; 1954-55, 319 million

bushels. Again according to my computation, this comes to 427 million bushels annually. At the same time we find that, having sold better than average crops each and every year, prices have been maintained at a fairly high level.

When it comes to the question of coarse grains, the wheat board has encountered no serious difficulties during this bumper crop period and, according to reports, none are expected to be encountered for this crop year. I might also state that the Minister of Trade and Commerce has visited the province of Alberta and has made the statement —as I believe he has made the statement in this house—that it is anticipated that even this year's crop, a better than average crop, will be sold. Therefore if during the superabundant crop years we can sell a better than average crop at fairly good price levels without resorting to fire sales, without getting panicky and without getting into some of these fancy deals such as barter trades and soft currency deals, that is what the western farmer expects the board to do and continue to do.

We have heard a good deal said, especially in western Canada, about barter trade. I should like to say a word or two in connection with this matter. Our Canadian economy is as free as any economy in the world. Anything can be imported into Canada from anywhere, subject to our customs duties. Barter is a two-way trade. It ties one down and relates a certain product to another product.

Let us take an example. Let us assume that Canada has made a deal with West Germany whereby for a certain number of bushels of wheat we would get from West Germany 10,000 thrashing combines. That would imply that once we got these combines in this country the government would have to tell the farmer he would have to buy one of them. The government would be responsible for seeing that these combines were sold to the farmers. I wonder whether that is what the farmers or Canadians in general would want. It would mean that we would be imposing on the Canadian people federal controls which the Canadian people are not prepared to accept. It seems to me that barter is a most restrictive type of trade.

One hears of another solution, not only in the province of Alberta but also in the province of Saskatchewan and to some extent in Manitoba. There are those who tell you the convenient political myth that Canada should accept soft currencies for wheat. They create the impression that they have an easy answer to our wheat problem, whereas in fact they have no answer at all. When you say "accept soft currency", you mean "accept inconvertible currency". Of course there is no problem if it is convertible, for then you talk in terms of dollars. For example, Britain has convertible sterling and it also has blocked currency which is inconvertible. The wheat sold to Britain by many countries is sold for convertible sterling. The British tell their importers that they may buy wheat in any country of the world. It is significant to note that, as has already been mentioned in this house, the British trade commissioner recently said that Britain would not buy wheat from Canada for blocked sterling. Yet the United Kingdom in the past year bought more wheat from Canada than from all the other countries of the world combined.

It is true that the United States in some cases sells for non-convertible currency and uses that currency for expenses in foreign countries, including the building of airfields and in different forms of foreign aid. In connection with the subject of inconvertible currency or soft currency, I should like to read an editorial which appeared in the Winnipeg *Free Press* on December 15, 1955, under the heading "The Sterling Myth". The reason I read the editorial is that I think it gives a very good answer to those people who are peddling this solution to the producers of western Canada. The editorial reads:

> The people who say that Canada could and should "sell" wheat for sterling fall into two classes. Some do not know what they are talking about, and some do; the latter, that is, know they are talking nonsense. But it is convenient nonsense, and particularly convenient for some Saskatchewan socialists; it gives an impression that they have a simple, government-dealing, non-capitalist answer to our wheat troubles, when in fact they have no answer at all.
>
> For this reason, the myth that "sales" for sterling are possible and desirable no doubt will persist, in face of the most direct and simple evidence to the contrary. There are none so blind as those that do not want to see. But one is entitled to hope that the Saskatchewan mythmongers will in time gain fewer dupes; that their allies of the other class—the ill-informed—will shrink.
>
> Two weeks ago, on November 30, Mr. Gordon Bowen spoke to the convention of the Saskatchewan farmers' union. He said that Britain would not buy a bushel more wheat if Canada accepted payment in sterling. Mr. Bowen is the United Kingdom's senior trade commissioner in Canada; if anyone ought to know the official British policy in this matter, it is he. And his pronouncement surely is concrete enough, and sufficiently simple, to penetrate any head. Even those who profess not to be able to understand the most definite and simple statements of the case, made many times by Mr. Howe and other Canadians, may pay some attention to the official word of Britain as the buying country.

The editorial goes on:

> There is one direct untruth that may, however, have to be disposed of first. It is sometimes said,

by advocates of Canadian "sales" for sterling, that the United States now makes such sales. It does not.

The United States takes inconvertible foreign currencies from all kinds of countries whose currencies play no great part in international trade; whose governments therefore do not mind having such claims on them blocked in the hands of other governments; and which have no objection to living on charity.

The United Kingdom, for all its economic weakness, is not that sort of country, and sterling is not an unimportant currency. Sterling that is not blocked—sterling that can be used at all—is the same thing as dollars, to Britain and to everyone else. To take payment in such sterling would be no different at all from what we do now. Blocked sterling, on the other hand, is useless to Canada—it means simply giving wheat away—and to the United Kingdom the exchange of blocked sterling for wheat would represent a further weakening in the status of sterling as an international currency. The Canadian advocates of sterling sales are apt to pose as friends of Britain, even though it be at the expense of the Canadian taxpayer. In fact, they are not anything of the kind. They are doing nothing at all but peddle a convenient political myth.

I think that is a very good answer to those who do in fact peddle this convenient political myth. We have also heard criticism in the house by the Leader of the Opposition (Mr. Drew) to the effect that we should have a more aggressive sales policy with respect to the sale of wheat. I do not think selling wheat to other countries is the same thing as selling Fuller brushes or vacuum cleaners, but the fact is that in the last few months members of the wheat board and officials of the Department of Trade and Commerce have visited the major wheat importing countries. These countries include Japan, Switzerland, the United Kingdom, Sweden, Finland, Germany, Belgium, Holland, Spain, Portugal, Italy and Austria. In addition to these visits we have the efforts made by the Canadian trade commissioners in these countries.

At the same time the Canadian wheat board has invited representatives from wheat importing countries to visit Canada. We have had visitors from Japan, the United Kingdom, Brazil, Colombia, Peru, Switzerland, Ireland, Ecuador, Venezuela and Germany, so they could see for themselves how our grain is produced, how it is being stored, how it is being inspected and how it is being handled, because we believe we have the best system in the world and we want the world to know.

The government has made other efforts. As a result of direct action on the part of the government we find that there has been an increase in storage facilities through additions to the Halifax terminal elevators and the elevators at Churchill, and through a system of accelerated depreciation to elevator companies either at country points or terminals. In the last two and a half years there has been a total increase in storage accommodation of nearly 40 million bushels.

The only point I should like to suggest to the government, especially the Minister of Trade and Commerce, is that whereas the privilege of accelerated depreciation is accorded to elevator companies under which they may write off for income tax purposes over a period of three years any building they erect for storage, the same consideration should be given to farmers who store their grain on their own farms. Instead of being able to write off depreciation for income tax purposes over a period of 20 years they should be able to do so in the same period of three years as in the case of the elevator companies.

Finally I should like to say that the western farmer expects, the western farmer insists, that the policy of the government be, first of all, to maintain the wheat board system of marketing. The farmers have fought for the wheat board for many years and they do not want to lose it. Second, the wheat board together with the Department of Trade and Commerce should continue to follow aggressive sales methods by selling as they have been selling, especially during the years of better than average crops. Third, the wheat board together with the Department of Trade and Commerce should endeavour to maintain a fairly high price level by refusing to get panicky, by refusing to resort to fire sale prices, by refusing to indulge in the suggested barter trading or the acceptance of soft currencies or other fancy deals which would have the tendency that the farmer would get less for his wheat or the taxpayers would be burdened with more taxes. I also express the hope, and of course this is beyond the control of the government, that for the crop year 1956 we will have another bumper crop in the west.

Mr. Charles Yuill (Jasper-Edson): Mr. Speaker, at the outset I should like to add my congratulations to those already expressed to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. During this debate the discussion has centred largely around agriculture, and I think rightly so because agriculture is our basic industry. It is actually the keystone of our whole economy.

We find, however, that, in spite of the apparent over-all buoyancy of our economy last year, we have many problems pertaining to our basic industry. We find that agriculture is perhaps in as precarious a position as it has ever found itself in for a number of years. We find that farm income

has shrunk by better than a billion dollars in the last four years; to be exact, by $1,200 million.

By the same token, we find that agriculture embraces some 20 per cent of our population. Reducing the matter a little further, we find that they have received, in their own right, much less than 10 per cent of the national income, or in other words less than 50 cents on the dollar as compared to their fair share of the national wealth.

When you honestly appraise the whole situation I think you will find that something must be wrong somewhere down the line. I think it is the responsibility of parliament to sit down and soberly and intelligently appraise the whole situation. Instead of getting out and beating political drums I think it is our responsibility as human beings, charged with a grave responsibility, to deal honestly and sincerely with our problems rather than to reduce the matter to a political drum-beating level.

I believe one of the things that perhaps has influenced the depressed standards prevailing throughout agriculture is the fact that agriculture is always in a price-cost squeeze. The farmer is always obliged to buy on a controlled market. By the same token, he is always compelled to sell his commodities on an uncontrolled market.

Another thing that I think has contributed quite considerably to the plight of our economy today dates back to about 1944 or 1945 when, through the medium of the Bretton Woods agreement, the trader nations were obligated to go to the moneychangers and change their pounds sterling or their other currency into terms of Canadian or United States dollars. I think that was when many of our former substantial customers were forced, as a matter of self-preservation, to try to become self-sufficient with regard to the growing of wheat.

True enough, in many cases it was apparently necessary to subsidize the wheat-growing industry in those countries in order to encourage their farmers to take over and try to produce in terms of self-sufficiency. As was mentioned just a few moments ago, I believe France was a striking example. We used to sell France a considerable amount of wheat, but now, for that very reason, she has become a surplus producer of wheat. According to figures submitted just a few moments ago they marketed some 92 million bushels of wheat on their own.

I am certainly not one of those who feel unhappy about having a surplus. I do not think there is anything wrong about it. I think it is something to be happy about. But I believe our basic problem is one of distribution. I think we have fairly well mastered the art of producing, but I do not think we have done a good job in the technique of distribution. In spite of the fact that we have a billion or more bushels of surplus wheat in Canada today, on the world market I do not think it amounts to a surplus at all. When you realize that three out of every five people in the world will go to bed hungry tonight, it does not seem to me that the problem is altogether one of lack of production. We have the production here but we have not the medium through which it can be distributed to the needy people of the world.

We hear a great deal about ways and means. Some people are critical of the suggestions we have offered on more than one occasion. With regard to international trade, we should consider a mutual agreement policy whereby we will trade, on equivalent values, one commodity for another. We find that this procedure has worked previously. We find that it is being used today.

I know the Minister of Trade and Commerce does not take kindly to barter, but yesterday I was agreeably surprised to hear that there is at least one member of the Liberal party who believes in barter trade. I enjoyed very much the speech of the hon. member for Swift Current-Maple Creek (Mr. Studer). He was loud in his praises of a barter deal that was consummated by the province of British Columbia. He seemed to be quite happy with it. I think it was a good stroke of business. The only thing with which I could disagree is the fact that he took credit for the Liberal government of British Columbia. I wonder if he has forgotten that British Columbia has had a Social Credit government for almost four years and that they were the ones who carried to such a successful conclusion that little barter deal.

Mr. Philpott: No; it was the federal Minister of Fisheries (Mr. Sinclair) who carried it to a conclusion.

Mr. Quelch: Get the Minister of Trade and Commerce to page the Minister of Fisheries. Then you might learn something about barter deals.

Mr. Martin: Oh, let us hold our tempers here.

Mr. Yuill: So long as parliament sits here I suppose there will always be differences of opinion as to the proper techniques to use. I was going to say I think this is a problem that has reached the proportions of a crisis. It is not a crisis, particularly, but it is a situation that calls for the best thinking from every group in this house. I think it is quite possible to find some acceptable medium

through which we can deal with our trader nations without getting too hot and bothered about soft currencies, barter or anything else. I believe it is essential that we do so. But when we get to the point of setting up barriers that will not permit us to deal on those reasonable and natural levels, I think it is time we had a look at the situation and tried to do something about changing it.

So far as our production today is concerned, looking at it from a world point of view I do not think we have any surpluses at all. With the growing population in the world today, before many years I think we may have the problem of producing enough to feed those people, if we can do it. We are doing a good job of it now.

Then I believe we should give a little bit more thought to the main problem, at least as I see it. I refer to the problem of distribution. We have heard a lot about butter and butter surpluses, and the medium through which our butter is being sold. I am one of those people who believe that there is such a thing as charity. Charity should begin at home. If we are going to give anything away we should start first of all by giving to our own Canadian citizens who are in the low income brackets. We should give to the war veterans, the senior citizens, the mothers on mothers' allowances, blind pensioners, physically handicapped pensioners and others receiving social benefits today.

If the government took a little more realistic view of the matter and enclosed in the envelopes of the recipients of those pensions five butter coupons every month, they could take them to me or to some other merchant and get five pounds of butter for 37 cents a pound. The merchant in turn could cash them in and replace the five pounds of butter. If we did that we would be doing something that would be not only beneficial to the internal economy but we would be practising Christian and moral ethics that would be worth while as well.

If the time ever comes when we have to give something away, we should start at home. I know there are arguments that it would disrupt the butter trade in Canada. I just wonder whether it would. Many people in those income brackets who would receive butter are not able to buy butter today. They either have to go without it or resort to buying margarine as a substitute. I was at a convention in Alberta not long ago, and the delegates were hot and bothered about whether or not margarine should be coloured. If butter were made available to underprivileged people at fire sale prices, instead of shipping it behind the iron curtain, we would be doing something of which we could be proud.

[Mr. Yuill.]

As far as agriculture is concerned, I believe the government has given serious thought to the best ways and means of helping. Personally I feel that the two-price system would help solve the problem confronting agriculture in this country. Through that medium we would at least have some semblance of parity and some evidence of a reasonable equation between the cost of production and the amount received from the sale of the product. However, the Minister of Trade and Commerce seems to feel that this would not be a wise move.

I am not questioning the point particularly. From what I can get from the speech from the throne I feel that the sum total of the assistance to agriculture is geared to the $1,500 limit loan at 5 per cent. I come from a community that is basically agricultural. I am just wondering how many farmers will be able to avail themselves of it, desirable as it may be. Very few in my part of the country will be able to qualify. If some of my constituents already have a commitment at the bank I wonder what the reaction of the banker will be? Will the farmer be required to apply the loan to his former commitment? If so, then he will be deprived of any assistance under this new arrangement. I wonder whether there will be any stipulation that this must be a loan independent of any other commitment that an individual may have with the bank.

That is something of great importance to all concerned. We should be willing to sit down and try to come up with the best answers. It would be a wise man who could give a complete answer to this question. Until we are prepared to sit down like human beings and deal with these things we shall never accomplish too much. In our group we have always been champions of agriculture. Many of my colleagues have already expressed the views of this group pertaining to our attitude toward farm-stored grain; therefore I shall not deal with it. I should like to predict that as far as the $1,500 loan is concerned it is going to be a great disappointment to many people who are so urgently in need of special consideration. I am not going to deal any further with agricultural difficulties.

I offer my congratulations to the Minister of Public Works for finally completing the government building in the town of Edson in my constituency. It was a long and perilous detour, but at last we are getting the building in the town that we have needed for many years. On behalf of my people, I express thanks to the Minister of Public Works for getting on with the erection of that much-needed building.

We have another little problem in that part of the country. It relates to what some day is going to be the best part of the trans-Canada highway in the Dominion of Canada, namely Jasper. We have a road that goes through from Jasper to the British Columbia boundary. It will be known some day as the west gate of Jasper national park. There is a road which is passable in fair weather. It is a road that ultimately will be the route of the new trans-Canada highway. What the people in that part of the country would like to see is some favourable consideration by the minister concerned to building that road up to a standard that would be compatible with transportation that would no doubt enhance the tourist aspects of Jasper national park. Last year, according to provincial statistics we had an increase of something over 11 per cent in the number visiting Jasper national park. Since that is one of the show places of the dominion I think anything the department could do to establish a through route from Jasper to the west gate would be not only appreciated but would enhance the tourist trade, particularly, would greatly enhance the public service, and would be welcomed by those who are desirous of coming through from British Columbia into Alberta.

We have in Alberta, up to the east gate, one of the finest highways in Canada. As a matter of fact it is definitely up to trans-Canada standards. It is not completed but it should be, weather permitting, this year. If it is not finished this year, at the latest it will be finished next year.

In British Columbia they have a commitment by the provincial government that they will build a standard highway to the west gate of Jasper national park. If that is done, then I would urge the minister to give consideration to that much-needed connecting link that today is only navigable under very hazardous conditions; to go out there and begin the plan in the not too distant future, and see to it that sufficient money is voted for the completion of that program.

There is one other little suggestion I would like to make, and I do this in all kindliness. In the town of Jasper I think the people have contributed quite considerably to the tourist set-up from many different angles. They perhaps do not contribute as much in dollars and cents as people living in cities out of the park, but they do contribute in their own way quite a considerable amount of money. They do possess a considerable amount of good will, and without the people of Jasper I am sure that park would be anything but the wonderful summer resort it is today for tourists.

I would suggest to the minister that he give consideration to setting up some kind of council comparable to that proposed to be set up in the Northwest Territories. These fine people could sit down and by popular choice delegate to two or three or four or any reasonable number the responsibility of co-operating with the local government administration. I think the people would be quite qualified to offer kindly suggestions and by their mutual good will and co-operation enhance the over-all public relations within the town of Jasper.

With all due respect to those who are charged with the responsibility of looking after the park affairs there, I do feel that it would lighten their job. It would pay off in many ways, financially as well as in terms of good will. I would ask the minister if he will think that over, and I hope that in the not too distant future we may have a little more harmony and that over-all good will that I feel is so essential to the happiness of the people who are obliged to live within the confines of the national park.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I must say that I am very happy to be here listening to the speeches from both sides of the house. I think you will agree that the speeches delivered up to the present time have had more pep in them than at any time in the last 20 years.

I want to welcome the new members to the house. There are a great number, and if I would be allowed to give advice to the new members I would say, always be sure of what you are going to say and be sure that it is right. I would like to welcome the page boys. All but two are new this year. Perhaps we forget the boys who are, in a sense, a very essential part of the efficient carrying on of the business of this house. We bid them welcome.

I congratulate the Prime Minister (Mr. St. Laurent) on his initiative in doing new things. Of course I support him in his congratulations to the mover and seconder of the motion in reply to the speech from the throne. I just want to second what he has said. Also we do like to think that our Prime Minister is capable of doing new things. It was a new thing to request a lady member of the house to be the first speaker. That is in keeping with our gracious Queen of England, who heads the social life of the British commonwealth of nations.

Another new thing he did was in his appointments to the Senate. One of the first jokes I heard when I came down here was told by the late hon. member for Cartier, Sam Jacobs, who had given outstanding service to this house, who was noted for his polish

as a critic and as a speaker, and noted for his humour. When he was asked if he would consider going to the Senate his reply was, "I have got Jew consideration." Now the Prime Minister has appointed a Jew to the Senate for the first time. Not only that, but the first time in my experience he has appointed a Conservative to the Senate, and three independents; and we congratulate him.

I must admit, Mr. Speaker, that I would rather the former hon. member for Spadina was sitting in his seat here in the house and giving his outstanding service than any other place.

During the recess my better half and I thought we would take a trip west and see what was happening way out there. I remember that when I came to this country in '94 the slogan was "Go west, young man", and I think anybody who goes west will always get an earful. I travelled through Jasper, up into Yukon and back to Vancouver and I found that there were many people throughout all that country who were prophesying great things for Canada.

First there was the Social Credit prophet who said that Social Credit would sweep the country. That was quite a statement, and perhaps he was right. Then the C.C.F. prophet said that the C.C.F. would at least be the official opposition in the next house. Then I noticed that the hon. member for Broadview (Mr. Hees) made the prediction that the Conservatives would be the leaders of the house. I would agree with all three prophecies if there were no Liberal party in the Dominion of Canada.

I enjoyed reading the speech from the throne, because it contained so many things that I thought were fine. The farmers are to be considered and it is a well-known fact that if you have prosperous farmers you will have a prosperous country. The unemployed are to be considered, and there is to be equal pay to women for equal work, something for which we have been hungry for years.

The hon. member for Hamilton West (Mrs. Fairclough) was the first to bring in a private bill in this connection. I remember asking a former minister of labour, the late Hon. Norman Rogers, why it was that girls who taught in schools did not get the same pay as men, and why girls serving behind counters selling goods did not get the same pay as men. He just smiled and said, "We have not much to do with that."

I know from private conversations with the present Minister of Labour (Mr. Gregg) that this matter has been receiving considerable thought during past years. I know that in the Fort William district there are ladies who receive the same pay as men for doing the same work. We have two or more postmistresses who receive the same pay for doing the same work, and that is only right. One thing that concerns me in connection with employment of the fair sex is that they must retire at 60 years of age instead of 65. If they are to receive the same pay as men let them be retired at 65 the same as the men.

One or two things have happened in Fort William which I think the government and the country should know about. Fort William had 629 days without a fatal accident, which I think is a record of which any city or any member of parliament can be proud. I am certainly thankful for it. It shows that the chief of police, the mayor and city council and the local paper, the *Times-Journal*, have been on the job advertising and advising. It also shows that the people of Fort William believe in the provincial slogan, "If you drink, don't drive; if you drive, don't drink." That record was broken just a little while back, but we hope to have another record later on.

Fort William is trying to co-operate with the Minister of Labour in providing winter work. During the past year when dredging operations were being carried on, one of two main pipes going under one of our rivers was broken, but it was decided to repair this during the winter by putting a channel under the river. It is hoped that the government will pay at least 20 per cent of the cost. The city is also putting in trunk sewers as winter work. The government should assist in this, and if they do not I am going to tickle somebody under the ear. I think the government is sensible in supporting winter work as it will provide employment for many people.

Before I came down here a committee of citizens called upon me and asked me to do certain things. First, they asked me to tell the Minister of Public Works (Mr. Winters) that they supported him absolutely in his new plans for the completion of the trans-Canada highway. I think the minister has shown initiative, that he understands the needs of Canada and has sympathy with the unemployed. The governments of the provinces are asked to pay only a certain percentage, but they must administer it. The hon. member for Vancouver-Burrard (Mr. MacDougall) said they should pay 100 per cent and he wanted even more than that if he could get it in connection with roads in British Columbia. I do not agree with him, because he would not give the farmers anything by way of help when he is asking us to subsidize the building of roads.

Then I was told to support the gas pipe line. Two experts, the hon. member for

Trinity (Mr. Carrick) and the hon. member for Calgary South (Mr. Nickle), have provided the house with considerable information. Hon. members would do well to read their speeches in *Hansard* as each hon. gentleman did a very good job from his own point of view.

I do not expect that the gas pipe line will bring the millennium to the head of the lakes. I know I will not change from electricity to gas or from oil to gas, because we do not like too much gas around our house. The Minister of Trade and Commerce and his associates have been considering this pipe line. We sat in the committee, one of the best committees of the house, and the company was given permission to build an all-Canada pipe line. I remember when a delegation from the lakehead came down here to make sure that the gas pipe line would go through the lakehead, and the minister got the two companies together to get them to co-operate. I asked him if that was the last hurdle in the development of the gas pipe line and he just shook his head. He knew better than I that more money was needed.

This committee told me to support the government in helping the farmers sell their grain or keep it in storage. The members of the committee believed, just as I believe, that the farmers work longer hours and get less pay than anybody else.

There is one thing we want the government to do, and in this connection I refer to what was said by the hon. member for Lambton West (Mr. Murphy). It will be noted that I am quoting a Conservative member, but there are some Conservatives who talk sensibly. The lampreys in lake Superior should be wiped out, and money should be spent in an effort to save our lake trout, the finest table fish in existence.

There are three things that I am going to support later on and to which I want the government to give wholehearted consideration. The first is pensions for veterans who served in action in world war I or world war II. I brought this up three years ago and have been bringing it up since. A man who has served in a war should receive some consideration. One friend of mine had four Christmas dinners in the trenches. One man was asked to go out into the trenches where there was water, and he did not have dry feet for two days. He spent 31 days in a trench. You cannot tell me that would not take away years from his existence. Veterans who have risked their lives and cut down their length of life should have pensions at the age of 60 without a means test. We shall go into this matter again.

Another thing we recommend is that civil servants who retired when their salaries were small should have their cases examined. One case brought to my notice was that of a man who served for 37 years as a postman. He carried the mail until his feet gave out, and then he had to retire. I believe he was earning $1,600 a year at the time, and he was paid a pension accordingly. He is still receiving that pension. He should have his pension increased in proportion to the increases in salaries since that time.

A third matter we suggest is that the blind should receive pensions without a means test. We shall also deal with this matter again.

I should also like to say that I am perhaps more convinced than ever that the government should go ahead with the provinces in establishing a national health insurance plan. For two years I sat on committees of this house studying this subject. We brought in a bill which I thought was very good, whereby a contributory pension would be paid to patients and they would be allowed to choose their own doctors.

This year in Fort William we had a case of a man and a boy who had to pay $30 a day for nursing only, with hospital and doctor's expenses added. One lad 15 years of age had to lie on his face for three months. His back, arms and legs were burnt, and he lost his two hands. A boy like that, from a home of honest workers, should have consideration. As you would expect, the city of Fort William would not ignore such a case. The West Fort Kiwanis club there organized a local benefit society. We raised at least $8,000 and are still raising more, because we want to give that boy a chance to occupy a position in life. I am not asking any member of the house for anything but, of course, the door is open.

I should like to say a word about external affairs. It has been brought to my attention many times that we should have a department of peace. We have departments of national defence, national revenue, agriculture, trade and commerce and many other departments, but we have no department of peace. I do not think that is right. I read his speeches, and I know the minister of external affairs believes in the Prince of Peace, and his department is really a department of peace. Judging from his speeches, the name of that department might very well be changed from the Department of External Affairs to the department of peace.

Mr. Speaker, I thank you and the house for listening to me once again, and I am happy to note that nobody is sleeping.

Mr. Van Horne: Mr. Speaker, I should like to rise on a point of privilege. This morning I apparently used an unparliamentary term

to designate the inaccuracies, wrong information and misstatements in the speech of the hon. member for Gloucester (Mr. Robichaud). I am most anxious to withdraw any unparliamentary term I may have used in describing the hon. member for Gloucester. My strong convictions and devotion to the cause of the maritimes' rights incite me with fury whenever I see some hon. member from the maritimes being so lukewarm toward our tragic problems in the maritime provinces and their valiant people.

Mr. Deputy Speaker: Order.

Mr. Van Horne: It was this state of mind which prompted me when I called the hon. member for Gloucester a name not permitted in the house.

Mr. Deputy Speaker: I had occasion to read the words to which the hon. member has referred in the blues of *Hansard*, and I think it warrants going a little further than the hon. member has gone. I think the words should be withdrawn without any qualification.

Mr. Van Horne: Mr. Speaker, it is indeed a pleasure for me to do so.

Mr. G. S. White (Hastings-Frontenac): Mr. Speaker, in rising to take part in this debate I should like to refer first to one matter mentioned in the speech from the throne, which stated that at this session the Dominion Succession Duty Act will be amended. I had hoped since the close of the war that the dominion government would give up the taxes it collects under this act, as in my opinion all such revenue belongs purely to the provinces.

I was interested to read in the press only this morning a comment that the dominion government, especially the Department of National Revenue, was anxious to retain a succession duty because the returns that had to be filed on any estate gave the government valuable information in dealing with the collection of income tax. That may or may not be true, but I would say to the minister that in the opinion of many people, especially in the provinces where they still maintain the right to levy and collect succession duty, this tax does bear most heavily on many people.

The minister knows that the exemption, which is now $50,000, was placed at that figure when our dollar was worth a great deal more than the dollar is worth today. That exemption is allowed in every estate irrespective of the relationship of the person to whom the money may pass. There is a further injustice, at least in my opinion. Once that estate exceeds $50,000 the whole amount of the estate becomes taxable. I for one would be most anxious at some time to hear some explanation by the minister as to how he can justly and fairly say that an estate of $49,990 should be exempted from all succession duty but an estate of $50,100 should be subject to duty on the full amount. I should like also to mention to the minister that the present exemptions under the dominion act of $20,000 to the widow and $5,000 to children under a certain age, are too small and should be increased. I only mention this to the minister, because I realize that at a later date there will be ample opportunity for discussion when the bill is brought before the house.

I was disappointed that the speech from the throne did not contain some reference to legislation pertaining to veterans. I had hoped that the government would have realized the error it made in the amendments it brought down last year to the War Veterans Allowance Act, in that it did not accede to the requests made by the Canadian Legion that the ceiling be placed at $1,200 for single men and $2,000 for married veterans. This matter has been before the house on many occasions, and members from all parties have made most earnest pleas to the minister on behalf of those veterans who are entitled to receive war veterans allowances.

In particular it seems to me that at this very late date the veterans of the first world war, who must be getting close to the age of 60 and whose numbers are decreasing every year, should be given some special additional consideration. Only today I believe I heard a member again asking the government to make the war veterans allowance payable to the veterans of world war I who served only in England, which under the act is not classed as a theatre of war. While no mention is made in the speech from the throne of any legislation for veterans, I for one sincerely hope that the minister will introduce legislation to deal particularly with the raising of income ceilings for war veterans allowance recipients and making the amount payable to veterans who only served in England.

I see that the parliamentary assistant to the Minister of Veterans Affairs is here, and I am sure his attention has been drawn to the December issue of *The Legionary* in which there is an article entitled, "A National Cenotaph." I am sure there are many members of the house who have seen and been impressed by the memorials and cenotaphs erected in various other capitals of the world. It seems to me that in this Canada of ours surely now, ten years after the end of the war, we should have a national cenotaph in memory of those who served not only in world war I but in world war II and other

wars. I hope the minister will have something to say during the session on the question of a national cenotaph.

In the January issue of the same magazine there is an article by Adam W. Williams entitled, "The Disability Table", to which I am sure the attention of the parliamentary assistant has been drawn. I was most interested to read the table found here, which it is stated was published in 1918. No doubt there have been a great many changes in the disability table since 1918 both by way of increases in the percentage rates and additions to the table. It is interesting to note in the article that the Legion requested the pension commission to publish the current table, and the reply of the commission is quoted as follows:

> It is not considered that this document (the table of disabilities), which has been prepared for inter-commission use, would serve any useful purpose to the Legion whose officers, at their dominion headquarters, have ready access to the chairman and chief medical adviser.

The article goes on to point out that the Legion officers in Ottawa do have access to the table, but says that the Legion believes the table should be made available to their service bureau officers. I would suggest that it should be made public so the local physician who treats a veteran may have the benefit of it. The article further points out that the act states:

> The estimate of the extent of a disability shall be based on the instructions and a table of disabilities to be made by the commission for the guidance of physicians and surgeons making medical examinations for pension purposes.

There is nothing there to indicate that the table is a secret document. If there is any special reason why the table should be kept secret I am sure the many members of the house who are veterans would be glad to know what it is.

On other occasions I have mentioned in the house the failure to observe Armistice day as a national holiday. Last year I quoted a resolution passed by the county council of my country which reads as follows:

> That since, by the statutes of Canada, November 11th is designated as a public holiday, our government be urged to enact legislation that November 11th not only be declared a national holiday, but that it also be observed as such.

Of course there are some people who say that we have far too many holidays. The day before Armistice day or on Armistice day you will notice that in the big city newspapers the full-page advertisements of certain stores will indicate that two minutes of silence will be observed, or that the store will not open until two minutes after eleven o'clock. This day means a great deal to the veterans of Canada, and I think I am safe in saying that all the Legion branches resent the fact that Armistice day is not generally observed as a holiday throughout the Dominion of Canada. If the parliament of the Dominion of Canada is in session at that time parliament does not observe Armistice day as a holiday.

I should like to concur in the remarks of the hon. member for Oxford (Mr. Nesbitt) with respect to the time limit in making assessments of income tax returns. He referred to the long delay and the fact that the income tax department can go back and reassess farmers, small businessmen and other taxpayers of that kind. I have here a resolution passed by the county council of the county of Hastings which was sent to them by the county council of the county of Middlesex. The resolution reads as follows:

> Be it resolved that any farmer, individual or business with a net annual income of $10,000 or less, who files an income tax return and no action is taken on it within six months, that this return become final and complete.

There is another matter I should like to draw to the attention of the government. It is one that has been commented upon many times before, especially last session when the Municipal Grants Act was amended. I refer to the fact that in the smaller towns and villages the government pays no compensation in lieu of taxes. There are hundreds of villages and towns across the country with one, two or three federal buildings, and they are not able to qualify for compensation under the act as it stands at the present time. Yet these small municipalities, which are so hard pressed for money today, have to supply many essential services to government buildings for which they receive no payment. There are such things as snow removal, streets, sidewalks, lighting, garbage collection, fire and police protection and many other services of that nature. It is rather difficult for the average real estate owner in a small village to understand why his taxes should have to go to supply these services to government buildings.

I suggest to the Minister of Finance (Mr. Harris) that a most welcome announcement in his budget would be that in future all federal property will be assessed in the usual way and taxes will be paid thereon. At the same time another most welcome announcement by the Minister of Finance would be that as far as municipalities and school boards are concerned, the sales tax will not be applied to any purchases made by them.

In the *Globe and Mail* of today there is the announcement of the establishment of the new townsite near the village of Bancroft, which is the centre of several new uranium mines now coming into production. To date two of these mines have made contracts whereby $65 million worth of uranium concentrates will be purchased by the federal government. The village of Bancroft is the closest village to these various mines. At the present time the small inadequate post office in that village is unable to supply the necessary services required by the large influx of new people in this district. I have had the matter up with the Postmaster General (Mr. Lapointe). His officials have made certain inspections, and I believe they have made certain recommendations, but to date nothing has been done.

I pointed out to the Postmaster General some time ago that eventually he will have to erect a new building there. At the present time there are several highly desirable sites available. If he delays, those sites will not be available at a later date. The post office at the present time is not suited for a village a third the size of Bancroft. There is insufficient space not only for the public but for the staff. All mail coming into and going out of the office has to be carried from the street, around the building and into the post office. There is no such thing as driving in at the side or around the building. The post office is located on a highway on a sloping hill, without any facilities for public parking. There is no accommodation for the various mail contractors who operate rural routes from this post office. There are two wickets, which are entirely insufficient. At the present time the post office at Bancroft has requests for over 300 boxes which cannot be installed for the simple reason that in the post office there is no room to instal them. I find that in the next riding, which is represented by the Minister of National Revenue (Mr. McCann), there are three new post offices located at Killaloe Station, Barrys Bay and Eganville respectively; yet the revenue from the Bancroft post office is from three to four times as much as that from any one of those post offices.

It may be just a coincidence that those three offices just over the line were erected in the minister's riding. At the same time, I feel that the Postmaster General should give immediate attention to the situation that exists in Bancroft. Any improvements they are attempting to make in the present building can only be described as of a temporary and makeshift nature. The developments that are going on now and that will continue in that district indicate that the only answer is a new federal building with proper accommodation.

I would therefore say in a most kindly way to the minister and to his parliamentary assistant who, I will say, has been most helpful to me in the matter, that they ought to see that something is done at once to begin the erection of a new building in that district.

As to the matter of cheese, I wish to concur in the remarks made yesterday in this house by the hon. member for Oxford and the remarks made this afternoon by the hon. member for Lanark (Mr. Blair) when he referred to the plight of the dairy farmer in Ontario. In the debate last year I urged the Minister of Trade and Commerce to pass an order in council whereby cheese would be placed under the export-import act. Previously in the house the minister had made certain answers which indicated that it could not be done. But I have noticed that neither the Minister of Agriculture nor the Minister of Trade and Commerce has said that the method I suggested in my speech was not feasible, was not correct or could not be carried out.

When the minister spoke yesterday he was apparently pleased with the surplus that we have. At the same time he is adding to that surplus by allowing the importation of millions of pounds of cheddar cheese from New Zealand. If the Minister of Trade and Commerce is under any delusion as to how the cheese people of eastern Canada feel about the importation of cheese from New Zealand, I would simply say this to him. Let him attend any meeting of cheese producers in eastern Ontario, and let him attempt to explain to them why it is necessary to import millions of pounds of cheddar cheese into Ontario.

The various county councils in eastern Ontario have all been passing resolutions urging the government to impose proper tariff protection. I will read one resolution that I believe was sent to the Minister of Agriculture. It is as follows:

> That Hastings county council express approval of the recommendation of the Ontario federation of agriculture, that the dairy industry of Canada be given adequate tariff protection; and that copies of this resolution be forwarded to the Hon. Jas. G. Gardiner, Minister of Agriculture and to Mr. F. S. Follwell, M.P., and Geo. S. White, M.P.

No doubt the Minister of Agriculture has received many of these resolutions. What he does with them I do not know. But when these people pass these resolutions I should like to point out to the minister that they want something done about them. Their livelihood depends on it. Not long ago I read in the papers a statement by an official of

one of the agricultural associations who described the importation of cheddar cheese as the worst slap in the face the Ontario farmer has ever received.

Even at this late date I am going to ask the Minister of Agriculture and the Minister of Trade and Commerce if they will not see that the necessary order in council is passed whereby the importation of cheddar cheese will be placed under the export-import act. Last year the Minister of Trade and Commerce was asked for some assurance that no more cheddar cheese would be imported from New Zealand. At that time he said he did not expect—I will be through in a minute, Mr. Speaker—any further importations for another three or nine months. Sure enough, in exactly nine months along come three to five million pounds more cheese.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Charles Cannon (Iles-de-la-Madeleine): Mr. Speaker, in taking part in this debate, it is a real pleasure for me to congratulate the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I say it is a real pleasure because they are both friends of mine. I am sorry to see that the hon. member for Timiskaming is not in her seat. But I say to her through you, Mr. Speaker, that the speech she made was not only an honour to herself but also to the fine constituency she represents so well in this house.

(*Translation*):

I also wish to congratulate the seconder of the address in reply to the speech from the throne, the hon. member for Bellechasse (Mr. Laflamme). He has shown that he has the makings of a good member of parliament and he will undoubtedly prove to be a worthy successor to our former colleague, Mr. Philippe Picard, now Canadian ambassador to Argentina.

(*Text*):

Last summer I was privileged to be a member of the Canadian delegation to the NATO parliamentary association meeting that took place in Paris. The initiative for this meeting was taken by our Canadian NATO parliamentary association, and it was a great success. Nearly 200 parliamentarians representing the 15 countries that belong to NATO were at this meeting, and the Canadian representatives had an opportunity to meet a great many of the other delegates.

This meeting was devoted primarily to contacts and to general discussion. However, an important resolution was passed inviting the Speakers of the parliaments concerned to send delegates to yearly meetings, expressing the wish that the governments of NATO countries facilitate such meetings and providing for the organization of a continuing committee with secretarial assistance.

The main subject discussed at the Paris meeting was the development of economic and cultural co-operation among NATO nations as contemplated in article 2 of the North Atlantic treaty. It was suggested that future meetings of NATO parliamentarians should devise ways and means of implementing article 2 by facilitating trade and cultural exchanges between NATO countries.

At the briefing we received from General Gruenther of supreme headquarters allied powers, Europe, known as SHAPE, it was suggested that these meetings of NATO parliamentarians are an excellent thing because as all NATO countries are democratic countries, their governments are dependent on public opinion for whatever they do, and it is very important that the parliamentarians of NATO countries be familiar with NATO so they can explain it to their constituents and enlist their support for NATO, without which, as I said, Mr. Speaker, the governments of these NATO countries would be incapable of giving NATO the support it so richly deserves.

It was also mentioned at that meeting that the alliance of countries around the north Atlantic should develop among the NATO countries the same cultural and economic ties and co-operation that existed among the nations that surrounded the Mediterranean at the time of the Roman empire; with the difference, Mr. Speaker, that the nations that developed those cultural and economic ties around the Mediterranean were held together by the force of the Roman empire, while on the contrary the nations of the North Atlantic treaty are united by the free will of their democratic governments elected by the free vote of their people.

I noted with satisfaction, Mr. Speaker, that the final communiqué of the meeting of the North Atlantic council held last month in Paris contained the following paragraph:

> The council recognized that recent developments in the international situation made it more necessary than ever to have closer co-operation between the members of the alliance as envisaged in Article II of the treaty. They decided to instruct the permanent council to examine and implement all measures conducive to this end.

I am sure that those who attended the meeting of NATO parliamentarians in Paris would like to feel that our deliberations had some small part in influencing the council to

include in its communiqué a reference to the cultural and economic aspects of the North Atlantic treaty.

The receptions given us by the French republic were very fine indeed, in the unique setting in which they were held, and that great country once more lived up to its reputation for gracious hospitality. I wish to take this opportunity, Mr. Speaker, to express publicly the great appreciation of all the Canadian delegates for all the courtesies extended to us during our stay in Paris. I wish to underline the fact that the Speaker of the Senate, Hon. Wishart Robertson, took the initiative for these NATO parliamentary meetings, and that his contribution to them was recognized by the fact that he was elected chairman of the meeting in Paris, and also was elected president of the continuing committee to continue the work we started in Paris last summer.

From Paris we flew to Germany and visited the Canadian troop installations around Soest in Westphalia. There I had the opportunity to meet the Royal 22nd regiment from Quebec city, where I live, and I had the occasion to renew old acquaintances with several of the officers and men, including the men in the Royal 22nd from the Magdalen islands. It was indeed a pleasure to see them and to say hello to them so far away from home. After that we visited the R.C.A.F. bases at Grostenquin and Marville in France and at Zweibrucken and Baden-Soellingen in Germany.

We all came back with a feeling of pride in the excellent work our soldiers and airmen are doing in participating in the NATO defence of Europe.

The so-called spirit of Geneva, which existed in Europe when we visited last summer, has disappeared rapidly, and it is important that all NATO countries be very careful not to allow themselves to be misled by any seeming softening of the Russian attitude into relaxing our vigilance or diminishing the strength of our NATO defensive organization.

To turn from foreign affairs to the domestic situation, I am sure, Mr. Speaker, that it was with great satisfaction and pride that the members of the house read in the weekly bulletins of the dominion bureau of statistics that all the main indications of the economic condition of our country have shown marked improvement over the same time last year. I refer in particular, Mr. Speaker, to the gross national product, to industrial employment, to manufacturing production, new orders in factories, housing construction, retail trade, total wages paid to labour forces, bank loans and car loadings. Every figure supplied shows an improvement over last year and there is no doubt that this country, under the wise and firm guiding hand of this government, has reached a degree of prosperity never reached before.

It is a satisfaction also, Mr. Speaker, to note that this well-being and this increase in the national wealth has been accomplished without inflation. The cost of living is about the same as it was at this time a year ago. I have here, Mr. Speaker, some figures that should be of interest to the house that were given to me by the Department of Labour this afternoon, and they are the latest figures. They give an indication of the prosperity now existing in this country. The total labour force at this time in 1956 is 5,588,000. Last year at the same time it was 5,435,000, showing an increase in the labour force of 153,000. People with jobs—and there is a distinction there, because there are people who have jobs but do not work all the time—total 5,388,000 in 1956 against 5,187,000 in 1955, an increase of 201,000. People employed in 1956 total 5,237,000 against 5,082,000 in 1955, an increase of 155,000.

It would be amusing, Mr. Speaker, if I had the time to examine in detail the dire predictions of ruin and catastrophe made by the members of the opposition last year at just about this time. Unfortunately we have not the time to examine all of them but I cannot resist the temptation to take a look at a few. At page 23 of *Hansard* for last year the hon. member for Dufferin-Simcoe (Mr. Rowe)—and I am sorry he is not here at the moment—attacked the government for having said in the speech from the throne that the unemployment existing at that time, a year ago, was regional and seasonal. At page 26 he accused the government of complacency and talked about the unemployed worrying and looking to the future with fear and uncertainty.

It has been proved, Mr. Speaker, that the government was right in saying that the unemployment which existed then was seasonal and regional. Seasonal unemployment in a country like ours is inevitable because of the climate; but it is a satisfaction to note, as I said a few minutes ago, that the total labour force employed has increased by 155,000, and that the unemployed are at a much lower figure than they were last year at this time. The fiery hon. member for Eglinton (Mr. Fleming), who I am sorry to say is not here tonight, went off the deep end at page 150 of *Hansard* when referring to the statement in the speech from the throne that unemployment was of a regional and seasonal nature, when he said:

> What a monstrous understatement, Mr. Speaker. It is no wonder that what the speech from the throne proposes in the way of legislative and other

remedies is very fragmentary and of the nature that it is, based upon an approach so hopelessly lacking in realism to a national problem.

I say, Mr. Speaker, that the statement in the speech from the throne last year, that unemployment was regional and seasonal, was not an understatement. It was a statement of fact and was a realistic approach to the situation which existed at that time. Experience has shown that the hon. member for Eglinton was just as wrong as the hon. member for Dufferin-Simcoe, and the government was right in its appreciation of the situation at that time.

The hon. member for Edmonton East (Mr. Holowach) also went out on a limb last year at just about this time. He said at page 2320 of *Hansard*:

I do not intend to re-examine the validity of all the figures which have been given by the able speakers who have taken part in this debate, but I do believe those figures indicate without doubt that unemployment in Canada is neither regional nor seasonal, as has been constantly stated by government spokesmen.

These hon. members, Mr. Speaker, if they reread this year the speeches they made last year at about the same time, must see that they made a big mistake and must feel rather silly in the light of what has actually happened since then. I wish I had the time to go on, Mr. Speaker, to give you other pearls from the speeches of the opposition members last year. Unfortunately time is lacking, but I think the quotations I have given to the house will show, and I repeat it, how wrong the opposition members were and how right the government was in appreciating the unemployment situation at this time last year.

I have received many complaints, Mr. Speaker, from my constituency concerning the effect and operation of one of the amendments to the Unemployment Insurance Act adopted by this house at the last session of parliament. The speech from the throne last year said:

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

In the speech from the throne this year, Mr. Speaker, we find another reference made to the amendments to the Unemployment Insurance Act:

The improvements you made to the Unemployment Insurance Act last year will provide a better coverage for those who are temporarily without work, particularly in the winter season.

I note particularly, Mr. Speaker, the words "designed to make unemployment insurance a more effective instrument in providing financial support to unemployed workers". Unfortunately subsection 2 of section 45 of the new Unemployment Insurance Act has exactly the contrary effect. It decreases the efficiency of unemployment insurance in providing financial support to unemployed workers and provides less coverage for those who are out of work.

This is a section which says that when an insured person who has already drawn unemployment insurance benefits during an established benefit period makes a new application for unemployment insurance, he has to show that he has made contributions during 30 weeks within the last 52 weeks before his claim, that is to say during the preceding year.

Under the old act, people who did not work regularly could qualify for unemployment insurance by making 180 daily contributions during the two years immediately preceding the day their benefit period commenced, providing they had made contributions for at least 60 days during the last year before their claim, or for at least 45 days during the last 26 weeks before their claim. Under the new act, as above mentioned, an unemployed person must have worked and made contributions during 30 weeks out of the preceding 52.

I submit that this is too drastic a change, and as a result only one in ten of the workers of the Magdalen islands who applied last fall for unemployment insurance, and who usually got it, was able to obtain benefits this year. The reason is that the industries in the islands which are connected with the packing, freezing, smoking and salting of fish do not operate 30 weeks in one year. This was the cause of great hardship, and certainly does not help in providing financial support to unemployed workers as was forecast in the speech from the throne last year, nor in giving them better coverage, as is mentioned in this year's speech.

I suggest that the act be amended to lengthen the period in which the 30 weeks of contributions are to be made. This should be lengthened from one year to 18 months. Then if a worker applied for unemployment insurance on November 1, when most of the local plants are closed, he would have not only the immediately preceding summer season but also the summer season before that in which to find his 30 weeks of contributions.

Some of the people in the Magdalen islands who did not qualify for unemployment insurance last fall were able to qualify for seasonal benefits under section 49 and following of the act. However, these seasonal benefits only begin on January 1 and end on April 15. It has been a great hardship for many unemployed workers to be deprived of these

seasonal benefits during the Christmas season, and I suggest that the act should be amended further so that the seasonal benefits would begin on December 15 and end on April 1, instead of beginning on January 1 and ending on April 15. In that way the wives and little children of those people who are unemployed through no fault of their own would be given the opportunity of enjoying the Christmas season like the wives and children of others in the country.

I should like to draw the attention of the Minister of Labour (Mr. Gregg) and the house to the recommendation made by the committee on industrial relations in its fourth report dated June 8, 1955. It recommended that the government study the advisability of extending unemployment insurance to fishermen who earn salaries and who work in other sections of the industry that could be put under the act.

I have mentioned this subject a great many times in this house, and I am coming back to it again. I underline the fact that it is most difficult for a member of parliament to explain to constituents who are fishermen why they cannot get unemployment insurance, when the people who pack and process their fish, who work in the plants on land, are able to get unemployment insurance. This anomaly should be corrected, and I hope we can count on the government correcting it as soon as it is humanly possible.

Before going on to another subject I should like to point out that these amendments to the Unemployment Insurance Act should be made at this session of parliament. If they are not made now but are postponed until the next session, which will probably begin only in January, 1957, next winter the unemployed workers and fishermen will find themselves in exactly the same position they are in this winter, and will have to suffer the same hardships.

Family allowances are one of the greatest measures of social security in our country. They have been ridiculed, even called baby bonuses at times. Nevertheless at this time all parties in this house, even the one headed by the Leader of the Opposition, who so firmly opposed them at first, now recognize, in their public speeches at least, that they are an excellent thing, not only from the social point of view but from the economic point of view, because they put more money in circulation and add to the purchasing power of the people.

I know that some of our opponents are quite touchy at being reminded that at one time they were opposed to family allowances. I hope you will bear with me if I am unable to forgo the temptation of mentioning it again. They rightly deserve it because of the attitude they took in the beginning. Our great leader, the late Right Hon. W. L. Mackenzie King, was responsible for them and history will record that his decision to create family allowances was that of a great statesman.

But over ten years have gone by and family allowances have not been increased. As everyone knows, the cost of living has increased enormously during that time while the needs of children have not decreased. The means of meeting the needs of the children should be increased to keep pace with the cost of supplying them. On February 23, 1955, as reported at page 1436 of *Hansard*, I said:

> This is what I said on January 19 last: "I say to the people of my county that when the time comes to increase family allowances the Liberal party will increase them. The Liberal party was the party that introduced family allowances in the first place, and it can be counted upon to increase them when the revenues and wealth of the country permit us to do so."
>
> In case there should be any doubt on the subject, I categorically state that I am in favour of increasing family allowances as soon as practicable.

An hon. Member: When is that?

Mr. Cannon: That is what you are going to find out. I am still of that opinion. I have received representations, both verbally and in writing, from my constituents to the effect that they think it is time family allowances were increased. These people point to the increase in the cost of living since 1945 and the fact that government income available for purposes other than war purposes has greatly increased since that time. I agree with them, and I make an appeal to the government to increase family allowances. If they cannot double them, as requested in some quarters, they should at least increase them 25 per cent or 50 per cent. If it is impossible for the government to increase family allowances all along the line they should—and this is the minimum they should do—at least increase the monthly allowances of $5, $6 or $7 for the younger children to the $8 given to the older children, so the same scale would apply to all. This modification would not only benefit the children but would greatly simplify the administration of the act.

Before leaving this subject I again urge the government most earnestly to enact legislation at this session of parliament to improve, as above outlined, these two great social security measures, unemployment insurance and family allowances.

Before I conclude I think it is only fitting that I should make reference to a visit by His Excellency the Governor General of Canada to the Magdalen islands last fall. He

came during September on the frigate *Buckingham*, and he visited the islands from one end to the other. I wish to express publicly in this house the great appreciation of the people of the Magdalen islands for the honour that was done to them by the visit of His Excellency to the islands, and especially in the way in which he visited them so completely, going to see all the people.

As we all know, His Excellency has many qualities, but there is one that I did not suspect before his visit to the islands. He is something of a poet, and before terminating my remarks I should like to put on *Hansard* the "Ode to the Saucy Sally" which was written by His Excellency. The Entry island referred to therein is the Entry island of the Magdalen islands. The ode is as follows:

On board the frigate *Buckingham* there hung a little craft
As nimble as a kayak, as buoyant as a raft;
The passengers admired her; travelled in her at each stop
And called her Saucy Sally with the fringe on top.
For she carried very proudly a magnificent decor—
A fringe she had amidships, and also aft and fore.
The passengers adored it—what the actors call a "prop"—
And they loved the Saucy Sally with the fringe on top.
When we called at Entry island the wind grew even stronger,
And our journey to the jetty seemed long and getting longer.
We whispered soft as seas grew high and spirits took a drop—
What about it, Saucy Sally with the fringe on top?
But she did her duty nobly and never let us down,
Returned us to the *Buckingham* and how she went to town!
The waves she scorned superbly, with a jump and skip and hop—
So thank you, Saucy Sally with the fringe on top.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, had I been permitted to take part in this debate yesterday you probably would have found it necessary to call me to order because of the strong language I would have used, as I have rarely been more annoyed with a statement from someone representing the government than I was as I listened to the Minister of Trade and Commerce.

I feel that two members of this cabinet, the Minister of Trade and Commerce, who is responsible for the marketing of wheat and has charge of the bureau of statistics, and the Minister of Agriculture, who is the only farmer in the cabinet, are performing a great disservice to Canada by failing to convey to their colleagues, to parliament and to the country the real problems confronting the farmers in all parts of Canada.

How different was the speech yesterday by the Minister of Trade and Commerce from the speech that President Eisenhower presented to the congress in Washington a week ago today. President Eisenhower did not say, "No country is as prosperous as the United States." He did not say, "Our farmers have more money in the bank, more wheat in the granary, more food in conservation, than any other country in the world." This is what President Eisenhower said:

> In this session no problem before the congress demands more urgent attention than the paradox facing our farm families. Although agriculture is our basic industry, they find their prices and incomes depressed amid the nation's greatest prosperity. For five years their economy has declined. Unless corrected, these economic reversals are a direct threat to the well-being of all our people.
>
> But more than prices and incomes are involved. In America agriculture is more than an industry; it is a way of life. Throughout our history the family farm has given strength and vitality to our entire social order. We must keep it healthy and vigorous.

Yet the Minister of Agriculture and the Minister of Trade and Commerce have created the impression in this house and abroad that the Canadian farmers are sitting pretty. The Minister of Trade and Commerce raised that old bogey, the abolition of the wheat board. No member of any party in this parliament has suggested that the wheat board should be abolished. Certainly members of my party have been keen supporters of the wheat board when the Liberals were dragging their feet, but to suggest that well-known newspapers such as the Winnipeg *Free Press* or the *Financial Post* are campaigning to dispose of the wheat board is nonsense. I am not going to take time to defend the Winnipeg *Free Press;* its editorial writers will be able to do that. But I should like to draw the minister's attention to the weekly letters of the Searle Grain Company Limited. This company, which one would normally expect to be sniping at the wheat board and anxious to get back to the open market, is very careful in its weekly comments regarding the situation. The leading article in the letter of 11th January states:

> The proposed move is of interest because it reflects a partial recognition of the increasingly difficult position in which the farmers of western Canada have found themselves as a result of the marketing problems that have arisen. Because of the sacrifices which farmers have made in the past we have consistently maintained in these columns that sooner or later an appraisal would have to be made of the farmer's position in relation to the whole national economy and that, if it appeared justified, extreme measures of one sort or another might eventually have to be taken to ensure him of a more secure place in the scheme of things.

The same letter refers to another serious problem which we must not ignore, that at the Toronto royal winter fair, Koga II wheat, a new variety developed in Germany, placed 18th in competition with many Canadian hard red spring wheats. It was also pointed out

that two other English varieties entered in this class placed 21st and 25th respectively.

The fact that the Searle Grain Company is recognizing these important international developments and is not saying a word about the problem that confronts Canadian farmers resulting from the fact that we have a wheat board, shows how ridiculous are the suggestions made by the Minister of Trade and Commerce and other Liberal members from the west who have not enough courage to stand up in parliament and perform their duty to their constituents by pointing out that the people who sent them here are not getting their fair share of the national income.

I turn now to what the minister tells us about net income for the years 1951 to 1954. He tells us in one of his publications that the accrued net income of farm operators from farm production has declined from $2,750 million in 1951 to $1,851 million in 1952, $1,653 million in 1953 and $1,054 million in 1954. How could the minister stand up here yesterday and fail to recognize this situation? If it were not for the fact that all the other sectors of the Canadian economy are experiencing an all-time boom, our Canadian farmers might accept the fact that we in Canada were destined to be hewers of wood and drawers of water. But the dominion bureau of statistics weekly bulletins, also published by the Minister of Trade and Commerce's department, turn up week after week with annoying information. Here is October 14:

> Corporation Profits: Second quarter profits before income taxes of corporations in Canada were an estimated 22·6 per cent larger this year than in 1954.

The department store sales were at an all-time high. Chain store sales, manufacturing and all the other sectors of the Canadian economy were at an all-time high.

Naturally I am chiefly concerned about what is happening in the wheat-producing parts of Canada. While farm income in all parts of Canada has been declining, the reduction in farm income in the prairie regions has been staggering. Again taking figures from the minister's own department, we find that in the province of Saskatchewan net farm income dropped from $565 million in 1952 to $126 million in 1954.

It is not easy to know exactly what percentage of the Canadian people are classified as farmers. In provinces like Ontario, Quebec and the maritimes, where some people spend part of their time farming and part of their time fishing or working in industry, one cannot determine exactly, but we accept the fact that roughly 20 per cent of the Canadian people derive their livelihood from farming. As long as I can remember, everyone in public life who has sought support has emphasized the fact that the farmers are the salt of the earth, but when it comes to giving them their share of the national income that is a different matter.

I am indebted to the Minister of National Revenue (Mr. McCann) for the information he gives us regarding the distribution of the national income to groups on the basis of profession. These figures do not give a complete and accurate picture, but they do tell us what sort of incomes the people who pay income tax have. Since over 80 per cent of the farmers of Canada have never had enough money to pay any income tax, naturally the Minister of National Revenue has no information regarding how little these unfortunate Canadians are getting. However, the figures I have indicate that medical doctors top the list with an average of $11,258 each, according to the information they furnish the income tax authorities. Consulting engineers and architects are next. I understand the Minister of Trade and Commerce would be in this category if he were working for a living. The figure for them is $10,289. Lawyers slipped a little bit. If they had been able to work another half hour in the year they would have brought their incomes up to the $10,000 mark, but as it was they were about $50 short of reaching that figure.

But farmers are away down the list. Those farmers who were fortunate enough to be able to pay income tax earned an average of $3,869. With respect to the division of the national income among the different classes of people in the country, it is not realized by the farmers nor the people generally that in 1954 our farmers were getting a smaller percentage of the national income than they were immediately before world war II began. If one takes the whole period from 1930 to 1939 the farmers' share of the national income was 6·1 per cent. We have a great deal of sympathy for the people who lived through the hungry thirties. We knew something about the 3 cents a dozen for eggs, 10 cents a pound for butter and a nickel a pound for beef and pork. While these prices prevailed the farmers received 6·1 per cent of the national income.

If you go back to 1931 you find that the farmers' share was down to 2·9 per cent. It picked up the next year to 4·1 per cent, but then dropped back to 3 per cent. Twenty per cent of the people received 3 per cent of the national income in that year. In 1954 farmers in all parts of Canada got 5·6 per cent of the national income. No minister of

trade and commerce, Mr. Speaker, who is responsible for the statistical information compiled by a government, is doing his duty when he speaks on a controversial question such as the minister discussed yesterday and completely ignores the fact that in all of Canada in the last year for which statistics are available, 20 per cent of the people only received 5·6 per cent of the national income.

Although most of my remarks are going to be devoted to wheat, I am sure that hon. members who represent farmers in all parts of Canada would not dare to take the Minister of Trade and Commerce back to their constituents and permit him to make a political speech in their support suggesting, as he did yesterday, that the only thing wrong with the farmers of Canada is that there are certain C.C.F. people who are agitating and talking about facts that are unreal. Certainly the people in Ontario and Quebec are not going to blame the C.C.F. for the disastrously low prices they are receiving for what they sell and the very high prices they pay for the things they buy.

A few days before I came here I saw one of the farmers in my constituency. He is a man who has acted on the advice of the Minister of Agriculture. He has put some of his grain on the market by feeding it to cattle. He has one of the best herds of cattle to be found anywhere in the country. On December 27 last, between Christmas and New Year's day, he received for choice steers, young cattle not yet two years old, 14 cents, 13½ cents, 13¾ cents, 13¾ cents, with a top price of 14¼ cents a pound. These cattle were all bought by Canada Packers or Burns. The farmer registered his protest with one of the buyers, and the buyer said, "You are mighty lucky you are selling these cattle at these prices. If you had held off until spring and fed them you might be lucky if you got 10 cents."

This was probably just a comment made by the buyer, who has no more information than anyone else about the matter, but he did convince the farmer that possibly there might be a worse price. But the farmers know that while they are caught in this price squeeze, with their prices going down and their costs going up, others in Canada, as I have indicated, are having a very good time.

I mentioned the fact that corporation profits are going up. The *Financial Post* survey of industrials and mines gives us some information regarding how some of Canada's big corporations have been faring during the period between 1946 and 1954. I will not mention all of them. One of them, the British American Oil Company, trusts me with a credit card. I usually buy "co-op" gas when I am in my own home town, but in travelling around I buy British American gas where "co-op" gas is not available. Therefore I am interested in the profits they are making. Between 1946 and 1954 their net profits after taxes jumped from $3·3 million to $18·1 million, which would appear to be an increase of 410 per cent.

The Steel Company of Canada, which depends to a very large extent on farm machinery for part of its sales, had an increase in net profits after taxes of 440 per cent. Then I come to the Industrial Acceptance Corporation, and it would appear that credit buying in Canada is really paying off for this type of company. Their net profits increased by 2,602 per cent. Loblaw Groceterias apparently found that it is much more profitable to sell vegetables than to grow them. Their profits increased by 306 per cent. Traders Finance net profits increased by 801 per cent, and the profits of the Hudson's Bay Company, which has been doing a land office business in the northern part of my constituency for about 300 years, increased by 478 per cent.

Dominion Stores are advertising today that side bacon can be bought in Ottawa at 27 cents a pound. I do not know how the farmers of Canada can be expected to produce pork when the finished product, side bacon, is sold at 27 cents a pound. This company's profits increased from 1946 to 1954 by 733 per cent.

If it were not for the fact that every conceivable type of corporation in Canada has had a most prosperous period during and since the war, probably our farm population would not be so greatly dissatisfied. But I am sure that in every province in the country the fact that this diminishing share of the national income is going to the farmer is the fact that is driving so many people off the farms and to the cities.

In the small community in which I live we have a composite school that this year has 360 students registered. The principal tells me that he does not know of any of the girls who are looking forward to marrying farmers and living on farms, and that he knows of only three boys who are counting on returning to the farm eventually. I am sure no one can suggest that this school was not established there in the hope that many of these young people would not have to go to the cities to take their high school work, but by being able to stay home at night or by going home for the week end they would keep up their interest in the local farms. But they realize that their parents and their grandparents who have lived on the farm have

lived in all periods in a situation where they did not get a fair share of the national income for what they produced.

Another serious defect in the minister's statement of yesterday is this. He failed to recognize the fact that price is such an important factor in the present situation. While in my opinion Canada is the best country in the world that I know of, and while our farmers are the best people in the country as far as I can see, I cannot understand why any cabinet minister should boast of the fact that in no country in the world do the producers have to sell their wheat for as low a price as do those in Canada.

I have a criticism to make of both the Minister of Agriculture and the Minister of Trade and Commerce. The Minister of Agriculture has a vote for "Agriculture Abroad" which he gets through parliament every year. In this issue there is a discussion on agricultural developments in Australia, France, Hungary, Ireland, Sweden and the United Kingdom. But in the discussion of agricultural policies in each of those countries the minister's officials carefully refrain from pointing out the wide difference in the prices paid to the farmers in those countries compared with the prices paid to the farmers in Canada.

The Minister of Trade and Commerce also publishes a bulletin entitled "The Wheat Review" which regularly contains information with regard to agricultural conditions in other countries. This one has a discussion of agriculture in Uruguay, Argentina, Australia and France. It so happens that I also get from Washington regular bulletins entitled "Foreign Agricultural Circular", and I suggest to the Minister of Agriculture and the Minister of Trade and Commerce that they could perform a real service by scrapping "The Wheat Review" and "Agriculture Abroad" and merely asking Washington to supply them with information as to what is done.

I will not have time to deal with what the Minister of Trade and Commerce had to say about Uruguay, but I think the Canadian people should have the information in this bulletin that Washington puts out with regard to wheat farming in Uruguay. First of all it points out that before the war Uruguay exported a small quantity of wheat but that as a result of their policies, Uruguay's exports are now 23 million bushels. It is true that is not as large an amount as we are exporting; but the fact that in 10 years' time one country increased its exports ten times suggests that we should pay a little bit of attention to it.

[Mr. Nicholson.]

In Uruguay the farmers start out with a price of $2.51 a bushel. Those who are unable to deliver their grain at the beginning of the season have the price go up month by month until at the end of the crop year the price is $2.72 a bushel. In other words the farmer who holds his grain on the farm for a year has an extra 21 cents a bushel for storing his grain. In addition to that, the farmer in Uruguay has been paid 18 pesos per hectare for every hectare he puts into wheat, and this is very conveniently translated into dollars and acres. The Uruguay farmer is paid $4.80 per acre.

What a contrast there is between this amount and the pittance the Minister of Agriculture, under the P.F.A.A. legislation, did not give many farmers who did not get a crop last year. In Uruguay $4.80 an acre is paid for the first 494 acres. As to the big farmer, the farmer who has over 500 hectares or 1,236 acres, he does not get anything. The smaller farmer, however, gets $4.80 per acre for the first 494 acres. For the difference between 494 and 1,236 acres he does not get anything.

I ask this question of the Minister of Agriculture, who is kind enough to be following me carefully. How can the farmers in the Melville area, with present prices, hope to compete in the world market with wheat that is produced on land that carries with it a subsidy of $4.80 an acre, and when the government of Uruguay is bridging the difference between what the farmer is paid and what is received in the foreign market?

The Minister of Agriculture devotes a section to France, but I suggest that he compare what his officials say about wheat in France with what Washington says about wheat in France. Washington points out that the support level for 1955-56 is about the same as it was a year ago. It is $2.64 a bushel for some of the softer varieties and $3.04 per bushel for the Durum or hard wheat. Here is some information that the minister's department carefully avoided putting in the publication. France has been subsidizing her exports. In 1955 France will probably come close to replacing Australia as one of the principal exporters.

For the 1954 crop, marketed in 1954-55, the total export subsidy payments are estimated at 41·8 billion francs ($119,543,000). The quantity of wheat and flour exported under subsidy that year is estimated at 2,015,000 metric tons (74,028,000 bushels) grain equivalent. Hence, the average subsidy cost for the crop was 2,076 francs per quintal ($1.61 per bushel).

This is not all taken out of the treasury, I should explain. This report from Washington explains that the farmers themselves contribute 54 cents a bushel, while the

French government contributes $1.07, making a total of $1.61 a bushel. That partly explains why it is that France, once a country that imported a good deal of wheat and where for quite some time imports and exports balanced, is pushing Australia for fifth place. The exports of France increased from 40·2 million bushels in 1953-54 to 87·9 million in 1954-55, almost double.

Yesterday the Minister of Trade and Commerce very carefully refrained from pointing out that last year the United States replaced Canada as the principal exporter. Perhaps hon. members would be interested in this little table showing the exports from the United States, Canada, Argentina, Australia and France last year and the year before. The United States increased from 211·4 million to 276·5 million. Canada dropped from 255·1 million to 251·8 million. Argentina increased from 110·3 million to 134·5 million. Australia increased from 63·4 million to 94·2 million and, as I said, France increased from 40·2 million to 87·9 million. The estimates this year are that France will increase her exports to 91·9 million.

I realize the problem that is posed when countries which support one section of their economy are prepared to subsidize to the extent that France has done. My time is running out, and I shall not be able to refer to what they are doing in the United States, but it has been mentioned in the house so often that hon. members in all sections will realize that the United States has been following a very generous policy in dealing with their own farmers.

In spite of efforts in that direction, President Eisenhower brought a message to congress asking support for a soil bank and for disposal of surplus corn, cotton, rice, when this very important sector of the people of the United States is unable to get its fair share of the national income, and that in turn is having a disastrous effect on their whole economy.

Before I conclude I wish to suggest that the proposal made by my leader is very reasonable. The amendment before the house, together with our subamendment, now reads:

> We respectfully represent that Your Excellency's advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national problems, including their failure to provide cash advances on farm-stored grain, equal to not less than 75 per cent of the initial price, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces, and their disregard for the rights of parliament, are not entitled to the confidence of this house.

My leader and the hon. member for Assiniboia (Mr. Argue) have made reference to accepting soft currencies and sterling and barter. I should like to refer very briefly to the Polish deal. Apart from the blast from the Leader of the Opposition last year when this deal was announced, I have not heard any criticism in parliament or out of parliament regarding this deal. I understand that Poland is going to be in the market for from 50 to 60 million bushels of wheat each year for the next ten years. I understand that Poland has found Canadian wheat to be excellent. It blends very well with their wheat, and I understand that Poland is anxious to do business with Canada. But this business can only be done if we will accept from Poland some of the goods they make and want to sell.

If Poland had access to a lot of gold they probably would supply gold. Canada is prepared to spend $16 million to get a lot of gold from a hole in the ground up in the north and have it put in a hole in the ground down in the hills of Kentucky. But so far we are unwilling to risk more than 4 cents a bushel on last year's wheat crop, with nothing for the oats, barley, rye and other commodities. It is time the Canadian government agreed to set up an import board that would work in co-operation with the wheat board.

The wheat board is charged with the business of selling, but we have no organization in Canada that is facing the situation resulting from the Polish deal, for instance, with a view to getting goods from Poland into Canada without disrupting our Canadian economy. This job can be done. It is a real reflection on our society when we permit 20 per cent of the Canadian people to be placed in the position that their share of the national income is diminishing year by year and we are not making a real effort to increase our production and see that it gets abroad.

Members of this group have frequently referred to the fact that two-thirds of the world's people never get enough to eat. From Rome each month I get the FAO news letters which deal with some of the problems that are being faced by our international organizations on which the Minister of National Health and Welfare has been working so hard. May I say we are very pleased that the minister made such a valuable contribution to the deliberations of the last general assembly of the United Nations; but I cannot understand why he sat there and saw the budget for FAO slashed as it has been.

The director general offered his resignation because the budget was being reduced from $7 million to $6·4 million for an international organization that is charged with the job of

organizing the world's production and distribution of food. They have had their budget cut by $600,000, and during the closing days of our last session the Minister of Trade and Commerce in his other capacity as Minister of Defence Production told us that when the air force asked for a new type of plane, although it cost $122 million, there was no problem about finding sufficient Canadian funds to embark on that new type of plane.

I submit that with so many hungry people in the world the government of Canada should be giving real leadership in seeing that maximum production is maintained in Canada, that our own people here have all the foodstuffs they can eat and that our surplus is sold, bartered or given away to relieve hunger in areas where people have never had sufficient to eat.

(*Translation*):

Mr. Georges Villeneuve (Roberval): Mr. Speaker, on going through the newly revised edition of our Standing Orders for 1955, I have once again been able to realize how uncommonly much we owe to your ability and devotion to duty. During the two years you have held office you have managed to popularize these standing orders which had been all but incomprehensible to mere laymen. You will permit me to say that, along with some of your predecessors, you will go down in the parliamentary history of this country. Your tact and fairness, together with your perfect knowledge of the two official languages of this country, justify this unanimous tribute from the members of the house, whatever their political persuasion.

The present session began auspiciously with the speech of the mover of the address in reply, the hon. member for Timiskaming (Mrs. Shipley), the first woman on whom such an honour has been bestowed since confederation, and also with the remarks of the hon. member for Bellechasse (Mr. Laflamme) whom I could well call the representative of youth. To both of them I offer my most sincere congratulations and I hope that in the future they will continue to make worthy contributions to the debates of the house.

I hope that the six newly elected members who have taken their seat among us for the first time will prove an asset to the house and to their respective constituencies. Since I have had the honour of taking part in the electoral campaign of my hon. friend the new member for Temiscouata (Mr. St. Laurent), I would like to congratulate him for the honest and sincere manner in which he obtained his mandate; I had reason to repeat to his electors the following saying: "Blood will tell".

I would also like to draw attention to the special contribution, during the recess, of three members of the cabinet in making Canada better known abroad, namely the hon. Minister of Fisheries (Mr. Sinclair) during his trip to Russia, the Secretary of State for External Affairs (Mr. Pearson) during his trip to Russia and in the East and the Minister of National Health and Welfare (Mr. Martin) who, as leader of the Canadian delegation to the United Nations, achieved an almost impossible feat when he succeeded in obtaining the "package deal" admission of 16 nations to that organization. Canada, which does not rank among the major nations of the world, must act as a peacemaker in the world if we want our nation to become worthy, in the international field, of the message given to the shepherds of Bethlehem: "Peace on earth to men of good will".

I appreciated the appointment of the Minister of Veterans Affairs (Mr. Lapointe) as a successor to the late postmaster general, the Hon. Alcide Côté. The latter had greatly helped me in the task which had been entrusted to me by my electors, who were requesting improved postal service. I have no doubt that the new minister will be just as sympathetic. I dare hope that the appointment of the new minister will coincide with a greater generosity on the part of his department, especially for the rural mail carriers and postmasters.

The constituency of Roberval which I represent in this house has received some outstanding visitors in the year 1955, that is the hon. Minister of Northern Affairs and National Resources (Mr. Lesage), the parliamentary assistant (Mr. Kirk) to the Postmaster General, the parliamentary assistant (Mr. Bourget) to the Minister of Public Works on the occasion of the official opening of the federal public building in Roberval, in March, as well as the hon. Minister of Transport (Mr. Marler) at the official opening of the Roberval airport in November. To these hon. colleagues, I express my appreciation and that of my electors for their kindness in honouring us with their presence in our district which, I believe, is most attractive and hospitable. I do hope they will come back and that the pleasant memory they have of their sojourn among us will entice other members of parliament, parliamentary assistants and ministers to visit the riding of Roberval and its friendly people.

The unprecedented economic expansion of 1955 in Canada could not but have its effects on the constituency of Roberval.

I am therefore glad to see that in 1955 the federal government has really contributed to the progress of my constituency. I will restrict myself to the following works made possible by generous grants from the Department of Agriculture: the agriculture building in Roberval, the central cheese and butter factory of La Doré, the central cheese and butter factory of St. Méthode, the Bhérer cheese and butter factory of St. Félicien; and, thanks to the Department of Public Works: the completion of the federal public building in Roberval, further work on the breakwater at Roberval, the completion of a dock at St. Prime and the awarding of a construction contract for the federal public building in Dolbeau. But the most important contribution to our local economy is definitely the beginning of the construction work of a 139-mile railroad connecting Chibougamau and St. Félicien, at an estimated cost of $17 million. In addition to bringing employment to our workers and putting an unprecedented amount of money in circulation, this work will endow my constituency not only with a long railroad in a northerly direction but, what is more important, with a brilliant future. When the hon. Minister of Transport came to Roberval, he certainly did not miss the opportunity to point out that my electors were very appreciative of the government's wise decision to connect Abitibi and Lake St. John, through Chibougamau, the great economic attraction at this time, in our province. I trust their testimony, together with that of their representative, will constitute the best expression of their gratitude to those who took this progressive decision. That is why my electors, more than ever, are glad to have put their confidence in this government. If my representations in the future are given as much sympathetic consideration as in the past, this confidence will inevitably become unshakable.

A young and lively constituency like the one I represent in this house can hardly leave any respite to its representative and, therefore, this representative still has many requests to submit to the government. As a good parish priest of my district said: "One must thank and one must ask relentlessly; it is the best way to have one's prayers answered."

On December 10 last, the people of Roberval constituency learned the sad news of the death of its representative in the Quebec legislative assembly, Mr. Antoine Marcotte. To his widow, to the members of his family and to all his friends I extend my sympathy in my capacity as member of the same riding in the House of Commons of Canada.

So young a district cannot but naturally look forward to adolescence. It is thus that in 1954 we celebrated our first centenary, that of Roberval. Hardly two years have passed and, in this summer of 1956, we shall celebrate another centenary, that of the establishment of the Montagnais Indian reserve of Pointe Bleue. As its name indicates, this reserve is located on a wide point of land heading towards lake St. John between St. Prime and Roberval. A law enacted under the union and assented to on August 30, 1851, Statutes 14-15 Victoria, chapter 106, authorized the government to survey the lands which were to be allocated to Indians. Thus in 1853 the government granted the Montagnais of my district a reserve of 16,000 acres on the shores of the Peribonka river, and another one of 4,000 acres on the shores of the Metabetchouan river, where a fur trading post and a mission had been established more than two centuries before. During the summer of 1856, the Montagnais Indian tribe of the Saguenay made a petition to the executive council of Upper and Lower Canada, submitted by Mr. David E. Price, M.P., requesting an exchange of the lands granted on the Peribonka and Metabetchouan rivers for another piece covering an area of six square miles on the shores of lake St. John at the place now known as Pointe Bleue. The exchange, approved by the crown lands department on July 25, 1856, was agreed upon by an order in council dated September 4 of the same year and ratified by the governor general on September 6, 1856. On that historical date, the present Pointe Bleue reserve was born. I must give credit to the historian of our district, Canon Victor Tremblay, for these brief notes on the history of Pointe Bleue.

Therefore, that reserve was formed at a time when colonization began in the lake St. John district. The Montagnais Indians and the French people of that district had been friends for a long time, since on May 27, 1603, the chief of the tribe, Anadabijou, had signed with Samuel de Champlain at Pointe-aux-Alouettes, opposite Tadoussac, the first official act granting to European people the right to settle on the lands of this country. In that treaty, the first occupants of the soil invited the newcomers to "settle the land and fight their enemies." In the years that followed the French remained friendly

with the Montagnais tribe and saved them from extermination when they were attacked by Iroquois hordes which were driven away with the help of a French contingent rushed by Governor Denonville, towards the end of the seventeenth century. The battle is said to have been waged on the shores of a river still called today "Rivière-aux-Iroquois" which crosses the municipality of St. Prime where, I am happy to say, I was born.

The population of the Montagnais Indian reservation at Pointe Bleue is now some 1,125 people, representing 200 families of which 110 are sedentary and 90 are nomadic. The hunting grounds are getting poorer each year and the slump in furs has made it necessary for most of these Indians to try and make a living at manual labour as craftsmen, labourers and even farmers, which is for them a sort of unnatural adaptation and adjustment, but in which they excel.

The Pointe Bleue Indians value the land which makes up their reservation and which was parceled out in the past but which I undertake to safeguard for them as long as I shall be their member, even though at the present time they do not have the right to vote, a right they do not seem anxious to get.

Since becoming member for Roberval, I have been requesting certain improvements for the Pointe Bleue reservation, particularly the construction of a residential or boarding school for the children of nomadic Indians. During the school year 1954-55, of the school age children at Pointe Bleue 74 out of 272 received no schooling whatever because of the fact that as their parents were roaming the woods these children could attend no classes, there being no boarding school on the spot. In order to adapt themselves to their new living conditions and to carry out their struggle for existence with adequate hopes of success, these young Indians need education. I would even say that it is a vital necessity as far as they are concerned if they are to play their proper part and develop as they should, and not be forever in a position of inferiority.

While I am on that subject I would call the attention of the officials of the Department of Indian Affairs to the sad state of disrepair of the road through this reservation, both in the direction of Roberval and in that of St. Prime. This road is little better than a path. It must quite closely approximate its appearance of fifty years ago with its right angled curves, its level crossings, its near proverbial narrowness and clouds of dust. Not only do I find the state of this road intolerable with regard to modern needs, but I also take it to be a disgrace as far as the federal government is concerned. In the whole of my county and even throughout the four counties of the district concerned, its only jurisdiction in the matter of roads is in relation to this road through the reservation. An ever-increasing number of these Indians have taken up haulage by truck. One of them even runs a bus service between Pointe Bleue and Roberval. A large number of tourists like to come to this reservation in the search for novel attractions. Besides, normal traffic on the road is sufficiently heavy for the department concerned to realize the urgent necessity of proceeding without delay to the rebuilding of this road which is a disgrace to the federal government.

The Indians of Pointe Bleue request a good asphalt road to connect their reservation with local highway 55 leading to St. Prime and Roberval. I find this request reasonable and I bring it to the attention of the Minister of Citizenship and Immigration (Mr. Pickersgill) whose progressive mind is well known to me. I am sure he will give this request his sympathetic attention.

As a centenary should be marked by public festivities and celebrations, a committee was created a few months ago in order to celebrate in a particularly original way the centenary of the Montagnais Indian reservation of Pointe Bleue. For this occasion, the Montagnais Indians have in store for us a special program of unprecedented originality which will be a tourist attraction in the area. As a token of consideration for these first inhabitants of the country, I renew the invitation which I was requested to make to the Minister of Citizenship and Immigration, who presides over Indian affairs, and to his deputy minister, (Mr. Laval Fortier), in order that their presence may enhance the grandiose celebrations of the centenary of the Indian reservation of Pointe Bleue. The first reply made by the minister did honour me and I trust that he will take advantage of his stay in Pointe Bleue to lay the cornerstone of the future boarding school, the construction of which I have so much at heart. I can assure the minister of a more than friendly reception in Pointe Bleue as well as in the other localities of the beautiful Roberval constituency.

I should now like to broach a rather delicate matter and that is the question of the name of the future hotel which the Canadian National Railways are now building in Montreal, close to the Central station. A large

number of my electors have requested that I express my opinion on this matter and I believe I can do so without hurting anyone's feelings.

I know that the permission of Her Majesty was originally obtained to name that hotel the Queen Elizabeth hotel. Later on a petition signed by 200,000 people, some of them very prominent people, was tabled in this house by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets). These petitioners asked that the hotel be called the "Chateau Maisonneuve", in memory of the founder of Montreal. In time the question was taken up by the newspapers and everybody could realize, even in the English language papers of Montreal and Toronto, that the petition was logical because it was based on historical facts. Everybody knows the loyalty of the French Canadians to Her Majesty and her predecessors, and it would be unfair to say that this is a move against the British crown, which is also the Canadian crown under our common allegiance. Besides there is in Montreal the "Windsor" hotel, another one which is called "Queens" and a theatre which is named "Her Majesty's", and I do not know of any boycotting of these establishments on account of their names. The problem is not there to be sure; it comes from the fact that the origin of Montreal is French; that the metropolis is the second-largest French-speaking city in the world after Paris, on the strength of its population; that, being the metropolis of Canada, Montreal is part of the French province of Quebec; that Paul Chomedy de Maisonneuve founded this city heroically in 1642, stating to the French governor of Quebec at the time: "Even if all the trees on Montreal island were to change into Iroquois, I would not give up my plans"; that it is fitting to maintain the French character of Montreal and that this future hotel, which because of its size will be able to accommodate visitors from all over the world, would, to my mind, serve this legitimate end if it bore the name of Maisonneuve, a truly historic name, which indeed deserves to adorn a public building of this kind.

I know that it is up to the directors of the national railways to settle this matter, and I trust that, if they put their minds to it, they will find the right way to bring even Her Majesty to decide in favour of the petition tabled in the house. I had the privilege to highly appreciate the spirit of understanding of the present chairman of the Canadian National Railways, Mr. Donald Gordon, last summer when I appealed to him on behalf of the people of La Doré, who wanted to have the station site moved nearer to the village—at a distance of 1¼ miles—whereas the proposed site was 3¼ miles away from it. I again want to express my appreciation to Mr. Gordon, and I trust that he will show the same spirit of co-operation, in order to satisfy the people of the province of Quebec in particular, a considerable proportion of whom have expressed their views upon the subject in the above-mentioned petition. I also venture to say that being aware of the loyalty of her French-speaking subjects, Her Majesty will accept the name suggested in this petition.

(*Text*):

In conclusion I want to congratulate the increasing number of hon. members of this house who try to speak my mother tongue, one of the two official languages of this country. I see in that fact a growing trend toward the national unity preached by Sir Wilfrid Laurier fifty years ago.

I am told that the University of British Columbia has recently opened a school of French language for its students. I was delighted to hear my friend the hon. member for Brantford (Mr. Brown) speak in this house recently in French about national unity through a better knowledge of the two official languages of our country. I know many other members in every political group who are beginning to speak French well. I think we all can testify that the future of Canada will be a good one because Canadians in every province are thinking of themselves primarily as Canadians with loyalty to Canada as a whole.

Mr. John B. Hamilton (York West): Mr. Speaker, I think I arise tonight with as much trepidation as I did on the occasion of my first speech in this house. I am not sure whether the whip of my party moved me to my present position as a trial by fire as in ancient days, or whether because of my efforts with regard to the Yukon Quartz Mining Act I have been appointed parliamentary assistant to my good friend the hon. member for Yukon (Mr. Simmons). In any case, though I was never in any doubt before, I am sure I can count on the support of those great free thinkers, those exponents of political fair play, the Liberals to your left, Mr. Speaker.

If there is a precedent in this debate for speaking at great length about the wonderful characteristics of the constituencies from which we come, then tonight I want to break precedent. My constituents know that I feel I represent the finest people and the finest district in this great dominion; and, if they did not, I assume I would not be here. No; I think my constituents will be quite satisfied if I speak about their problems only as problems which affect all of this great country.

Everywhere we turn today we hear people discussing in one form or another the role of government in our democratic system. This is not merely a topic for college professors, students of history or businessmen. It is even discussed by union leaders and union members as well. Each group has its own ideas, but there seems to be no hard and fast definition of the government's function.

To me, here in Canada we seem to have lost sight of the fact that government and business may be separated and still have the government fulfil its role of ensuring the continued general welfare of its people. As businessmen we demand the right to conduct our own affairs without restriction but, at the least sign that we may get hurt, we demand that the government move in and enact some new type of guarantee or impose some new restrictive control. As labour leaders we demand that we have no restriction on our right to bargain or our right to strike but, when things do not go right, we ask the government to move in and tell the boss what he should do.

Let us be quite frank. If these courses were pursued to their ultimate conclusion, then the government would end up by running everything, business and labour alike, because there never has been a treasury bench so prepared to move into new fields of power under the protective umbrella of unprecedented prosperity. The freedom of the individual is disappearing at an accelerating rate. Some day we shall awake to find that not creeping socialism but galloping socialism has brought us a nationalist socialist state. Let us not look for excuses. We can see the evidence everywhere. This government is not going to be satisfied until it finds itself in every phase of business. For them it is a natural evolution conceived during a period of national emergency and now carried forward quietly while our people do not know what is happening.

[Mr. Hamilton (York West).]

Someone may say this sounds very much like the echo of last year's defence production debate. Perhaps it does, but I do not think I need to apologize for that, because only the other day I listened to the Minister of Defence Production (Mr. Howe) complain because he had not been given the powers he wanted to have last year. The salient feature is that the government, by moving into business, can attain the same type of control of business as it can by restrictive legislation.

Let us get the government out of business. Let us see it perform its true role of attending to the general welfare of the people. Business—and when I say "business" I mean every part of it, management and labour—cannot expect fair play if its competitor is also its regulator.

We have plenty of examples. Last year, in speaking on the estimates of the Department of Transport, as shown on page 6497 of *Hansard*, I used these words:

> In its creation the air transport board gave every indication of being a desirable means of or agency for controlling the growth of the industry throughout the whole country. But in recent years it would appear that it no longer can be considered an impartial agency in connection with these decisions. I think most of our trouble has resulted from a hidebound adherence to a policy of monopoly at the top.
>
> This tendency, of course, was exemplified most clearly in the decision approximately two and a half years ago in the Canadian Pacific Air Lines-Trans-Canada Air Lines air freight case which was heard by the air transport board. This decision appears to have closed the door to any hope of competition on the national level. Its reverberations have been felt right down through the industry to the lowliest class 4 group "C" charter air operator.

Later on I said:

> What has been the result? This country has waited two years to obtain a transcontinental air freight system. There is ample proof of that fact. It was two and a half years ago that the application of Canadian Pacific Air Lines was heard. But in the Montreal *Gazette* of April 25, 1955, there is this announcement in large type: "T.C.A. to start cargo service to west coast." I would ask hon. members, is that the way business expands in this country? Under our system of commercial enterprise should we not expect that business will go out and create a situation where it can make money under the competitive circumstances which exist in all other phases of our national life? No; we waited for the same service we might have had two years ago.

As found on the same page I said:

> The second result of this decision has been the placing of a lid on the air transport business from one end of the country to the other, from the highest level to the lowest, because it is obvious that unless there is room for expansion at the top there can be no hope for smaller operators to expand in their field as well.
>
> Third, and I think I should be able to say this, it seems that it has even placed the employees

of the national air line in a position where they feel that their job security depends upon the continuance of a monopolistic situation, whereas truthfully I am quite sure they would all be better off and would have a better opportunity for advancement if true competitive conditions existed.

But as I pointed out at that time, Mr. Speaker, it did have one beneficial result. The same application for a competitive licence reduced air freight rates in Canada, and that fact cannot be contradicted. Here is the first example of the government acting with its left hand as competitor and with its right hand as regulator.

Since I spoke in the house last year on this subject I have listened to many people speak both inside the house and outside, but there appears to be no general change in the situation. Pacific Western Airlines applied for an air bus licence to carry passenger traffic on a transcontinental basis, but that application has recently been denied. It seems to me that simply to allow competition will not solve the whole problem. I think it is necessary that competition should be allowed in the first instance, but at the same time I believe that the government should get out of the air transport business and get out of it before it is too late.

I do not suggest that the government get out of it before a competitive licence is granted, because if that should be done then I am sure any purchaser might expect a continuation of monopoly conditions. The first step is competition, and the second is for the government to get out of the business.

At the present time a commission is investigating the serious problem of raising revenue for our national broadcasting system, and I am sure the Minister of National Revenue has plenty of worries in that respect. Here too is a situation where the government acts on the one hand as competitor and on the other hand as regulator. It appears to me that the same solution might be advocated in this case as well. It would seem that there is no reason why the Canadian Broadcasting Corporation should not dispose of its physical properties in radio and television stations to private enterprise. Its production facilities, its job of regulation, could still be carried on. I have great admiration for some of the production facilities. There is no reason why they should go out of that phase of the business. They could ensure that the necessary number of hours are devoted on all stations to the type of programs which such an agency as a Canada Council might suggest as being proper and fit for Canadians. But it does not need to own the physical properties which it possesses. I suggest that many of the government's financial worries in connection with its operation would be removed if such a program were initiated.

I have read about a third example just recently. The Minister of Defence Production has told of plans for the expansion of the Polymer Corporation. Here is an institution, also conceived in a time of national emergency, for which we now have great plans of expansion. I see no reason why Canadian business enterprise could not carry on such a business. I say to the hon. member for Lambton West (Mr. Murphy), whose chief concern in connection with that corporation I believe is the worry that foreign capital may be brought into Canada to take it over, that I am quite sure that within the confines of this country there is the business initiative and capital to ensure that, run by private enterprise, it is also owned here as well.

The other day I read of another example of the government in business. In the *Globe and Mail* of September 19 there was an article about the great plans of the Bank of Canada for the construction of a new office building in the city of Toronto eight storeys high, to be built of granite and limestone. In reading the article I found that the basement, the sub-basement and the first and second floors will be occupied by the bank's Toronto agency, its securities department, foreign exchange department and the industrial development bank. The other six floors will be rented as office space. Is this government going into the real estate business as well? I am quite sure that private business in metropolitan Toronto can provide all the necessary office space for business in that city. Here is further evidence of creeping or galloping socialism.

You know, Mr. Speaker, when I hear about the plans for national health insurance—and we certainly need it—I never hear any reference to the tremendous strides that have been made by our insurance companies to cover every possible person who can be covered under an actuarially sound scheme. In addition I have yet to hear of any reference to types of plans other than those of the insurance companies which in my province of Ontario are taking care of innumerable people. When we talk about national health insurance, let us see if we cannot provide a plan based on the practices of the companies now in the field. All they require is an undertaking by the government to ensure that those people who are unable to obtain insurance under the present group plans will be underwritten by the government. In all other respects I am quite sure they are prepared to carry out such a plan more efficiently than it would be done by some autocratic institution in Ottawa.

We have further evidence of the inroads of the government into business. You know,

in my business in dealing with air transport matters I am accustomed to receive references from the companies branch here saying that they think a certain application is satisfactory, but they must refer it for approval to the Department of Transport or the air transport board. I have received plenty of those letters, but recently I have been seeing more of them. The other day I received one in connection with a company's operation in the radio and television field. I now find as well that we cannot get into that business in Canada unless we refer it to the Canadian Broadcasting Corporation and the Department of Transport. This is effective control of business today by this government without any type of restrictive legislation.

This is the way the letters read:

> However, I wish to mention that this case has been submitted to the Canadian Broadcasting Corporation and to the Department of Transport.

The other day I received a further example. The Minister of National Health and Welfare would be interested in this matter, because a group of people wanted to get together to make some surveys on the question of whether there was adequate hospital coverage in any particular area. What they had in mind were surveys of that kind. We therefore made an application to the companies branch to see whether we could incorporate that type of company. Oh, yes; I think we can incorporate it all right. But this is the type of letter we get back in this case:

> . . . I wish to confirm that the object clauses of the petition for incorporation . . . have been submitted to the Department of National Health and Welfare. Upon receipt of their advice I shall communicate with you.

Apparently the minister is going to reserve for himself all the survey rights in this type of thing. This procedure is just as effective as if we had passed an act which said, "You will go into this business only if we give you permission to do so." There is plenty of evidence of that.

What I say is this. Let us get out of business. Let us leave it to the people who have been trained for a lifetime to run businesses. As to those institutions that apparently we cannot give back to business, let us, as sane and reasonable men, leave them alone. Let us not continue to snipe at them day after day in this house; I am sure that is a terrific blow to the morale of the people who spend their days working for them.

Let us devote the energies of this house to providing for the welfare of the people of this country. Let us see if we cannot increase the efficiency of our own departments so that some of the funds required for all those who wish increased old age pensions—and there are plenty of people in this country who need them—can be provided without taxing the people more and more.

Let us not think that we are too efficient in connection with the operation of our business; I refer to the government's business. I read an editorial in the "Office and Equipment News" of December. This editorial indicates that we do not want to listen to anybody who has any idea of improving the efficiency of our work. There is no place for them. We do not want anybody from outside to tell us whether there is available new equipment which will cut down the ever-increasing numbers whom the Minister of Finance must find the wherewithal to pay. No; we are satisfied to go on being empire builders. If you can add a few more to the payroll, your own job goes up in value.

I therefore direct your attention tonight, Mr. Speaker, to the great necessity of leaving to the people who know how to do it one phase of what has become an extremely important part of our daily routine here; and let us, on our side, turn our attention to efficiency in our own government departments.

Mr. Yves Leduc (Verdun): Mr. Speaker, may I call it ten o'clock and move the adjournment of the debate?

On motion of Mr. Leduc (Verdun) the debate was adjourned.

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

QUESTION

(Answer deposited with the Clerk of the house.)

LOAN TO CHINA

Mr. Gagnon:

1. Has the government of Canada been reimbursed for the sum of $60,000,000 loaned to China in 1946?
2. If so, on what date?
3. If not, when will payment be made and what is the amount of interest to date?

Mr. Harris:

1. The credit to China authorized under the Export Credits Insurance Act was $60,000,000. Advances made under the credit amounted to $51,037,091.15. These advances, together with accrued interest, were consolidated in 1947 and 1948. The total debt thus consolidated amounted to $52,215,997.48. Bonds bearing interest at the rate of 3 per cent per annum and maturing serially on December 31 of each of the years 1948 to 1977, were issued against the consolidated debt by the government of China. Only part of the loan has been reimbursed.

Question

2. Payments by the government of China have been made as follows:

Date of payment	Principal	Interest
July 9/48		$ 502,851.13
Jan. 11/49	$1,755,997.48	502,851.13
Aug. 18/49	277,325.16	1,071.31
Nov. 14/49		756,900.00
May 3/50		193,367.37
June 29/50	756,557.34	569,508.55
Feb. 7/51		1,132,200.38
	$2,789,879.98	$3,658,749.87

3. (a) The time at which the government of China will resume payments on the loan is uncertain.

(b) The interest due but not paid on December 31, 1955 was $7,764,500.77. This amount does not include capitalized interest.

HOUSE OF COMMONS

Wednesday, January 18, 1956

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

FOREIGN POLICY—REFERENCE TO STATEMENT BY MR. DULLES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the ways in which Canada can become involved in the results of foreign affairs decisions made at Washington, has the minister made any effort to ascertain whether Mr. Dulles' "brink of war" statement in *Life* magazine of January 16 represents United States foreign policy? Has the minister any comment to make on Mr. Dulles' statement?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I received notice of this question just before coming into the house. As to the first part, I would merely point out that Mr. Dulles takes no responsibility for the article in question except those parts in which he is directly quoted. In so far as the particular paragraph is concerned to which I believe my hon. friend makes reference, Mr. Dulles, at his press conference yesterday in Washington, clarified and amplified the meaning of that paragraph and I think no further inquiry on our part, in respect to that particular paragraph, is required.

So far as the second part of the question is concerned, Mr. Speaker, I have no comment to make on the statement. Some of the matters dealt with in the article might be touched on by me in the review of foreign affairs, which I hope to be able to make at an early date.

REQUEST FOR CANCELLATION OF PERMITS TO EXPORT PLANES TO EGYPT

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): May I direct a question to the Prime Minister (Mr. St. Laurent)? In view of the inflamed situation existing in the Middle East, will the Prime Minister cancel the export permits to send additional planes to Egypt?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, no consideration has been given to the question of cancelling the export permit for these training planes and I know of no reason for reconsidering the matter and coming to the conclusion that the export permit should be cancelled.

CHINA—RECOGNITION OF PEKING AS DE FACTO GOVERNMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs (Mr. Pearson), arising out of an answer he gave yesterday respecting the recognition of the people's communist government in China. Is the minister prepared to give an assurance that the government does not at the moment contemplate early recognition being given to that government? Secondly, has he been in touch with the United States government recently, suggesting that something be done towards the recognition of that government by the United States government?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, this is, of course, a very important question of government policy and, if there is anything I can appropriately say in regard to it, it will be during the statement on external affairs which I hope to be able to make shortly.

FISHERIES

REPORTED TRANSFER OF BIOLOGICAL STATION IN MARITIME PROVINCES

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to direct a question to the Minister of Fisheries (Mr. Sinclair) or his parliamentary assistant, which is based upon a report that it is proposed to move the biological station from St. Andrews, New Brunswick, to Halifax, Nova Scotia. Is it the intention of the Department of Fisheries to move the biological station at St. Andrews, New Brunswick, to Halifax, Nova Scotia? If so, would the minister give his reason for such a move being made?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I received notice of this question only as I came into the chamber a moment or two ago. May I say to my hon. friend that I think there has been a recommendation made that certain phases of the work done at

St. Andrews be moved to Halifax. I shall be glad however to look into the matter and give an answer later, particularly to the second part of the hon. member's question.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—REPORTED ENTRY ON WESTBANK RESERVE

On the orders of the day:

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. Did the provincial government of British Columbia approach the Department of Citizenship and Immigration for permission to enter on Indian land for the construction of a bridge approach through the Westbank Indian reserve? If so, was such permission granted?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I understand that the provincial government has made a cash offer to the Indians for certain land for the purpose of building this bridge but I do not believe any permission has been asked to build the bridge. Permission was asked and granted to a provincial surveyor to make a survey.

Mr. Jones: Is the minister aware that Indians armed with shotguns are keeping government employees from the property?

Mr. Pickersgill: No, I was not aware of that. In fact I would have been very alarmed if I had been.

LABOUR CONDITIONS

NATIONAL DEFENCE—AUTOMATIC RETIREMENT OF CIVILIAN EMPLOYEES AT 65

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to ask the Minister of National Defence if the Department of National Defence is continuing the policy of automatically laying off civilian employees when they reach the age of 65 years and, if so, how does that fit in with the program of the Department of Labour for the continued employment of senior citizens.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I should like to thank the hon. gentleman for giving me notice of his question. In answer to the first part may I say that the Department of National Defence does not automatically lay off people at 65 years, but we do regard 65 years as the normal age for retirement. However, when an employee reaches the age of 65 years and indicates that he wishes to continue working, each particular case is considered on its merits, the man's usefulness, his ability to discharge his duties and whether a favourable decision would be helpful to him. I may say in this connection that a fairly high proportion of civilian employees who wish to continue working after 65 years of age are in fact retained by the department.

In reply to the second part of the question, I would say that I think the policy of the Department of National Defence in this regard is in accord with the program of the Department of Labour and with the practice in other government departments.

ATOMIC ENERGY

CANADIAN ATTITUDE TOWARD POSSIBLE POSTPONEMENT OF FURTHER NUCLEAR TESTS

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he can inform us whether the question of postponing further thermonuclear tests until the report of the United Nations committee on the genetic effects of fall-out is received was discussed at the recent meeting of the United Nations assembly. If so, what was the attitude of the government of Canada to such a proposal?

Hon. L. B. Pearson (Secretary of State for External Affairs): The question of the postponing of thermonuclear tests was discussed at the recent meeting of the assembly of the United Nations and the committee referred to by my hon. friend was set up. However, I am afraid it will take the committee some time to present its report.

The position taken by the Canadian delegation, headed by the Minister of National Health and Welfare (Mr. Martin), was that we would agree to any postponement or cessation of tests of this kind, but only as part of a satisfactory disarmament scheme which would include adequate provisions for inspection and control. As the house knows, the Canadian delegation to the United Nations has been doing its best to bring about such a satisfactory scheme, especially through its membership on the subcommittee of the disarmament commission, the meetings of which will be resumed shortly.

BUTTER

PURCHASE AT REDUCED PRICE BY WELFARE INSTITUTIONS

On the orders of the day:

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Would the

Minister of Agriculture inform the house as to whether or not the privilege of purchasing butter at 21 cents a pound below the support price has been extended to all welfare institutions operated by provincial governments across Canada?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having given me notice of his question, and in reply to state that the answer would be yes if it were not for one phrase used. The phrase used is "has been extended". I am not certain that they have all made application but, if the word "available" were substituted for "extended", butter at 21 cents less has been made available for any institution, whether government or otherwise.

At the same time I should like to say that the fact that it is 21 cents a pound cheaper has made very little, if any, difference to the consumption of butter at those institutions.

DEFENCE PRODUCTION

INQUIRY AS TO CS-2F AIRCRAFT PRODUCTION PROGRAM

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I thought for a moment I was sitting on springs. I should like to direct a question to the Minister of Defence Production (Mr. Howe). Could the minister inform the house how far the CS-2F production program at the de Havilland plant in Toronto is behind schedule?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, my hon. friend has spoken of the CS-2F. I shall have to consult counsel to find out what program that is.

[*Later:*]

Mr. Speaker: I understand the hon. member for York West wishes to clarify his question.

Mr. Hamilton (York West): Perhaps I might identify the plane in question as the plane required by the Royal Canadian Navy.

Mr. Howe (Port Arthur): Mr. Speaker, I shall make inquiries. The only delay would be due to the de Havilland strike. I understand the components manufactured in outside shops have not been delayed and I am under the impression that the completion date of the program has not been set back.

METHOD OF PLACING CONTRACTS BY DEPARTMENT

On the orders of the day:

Mr. Daniel McIvor (Fort William): I wish to direct a question to the Minister of Defence Production. I have not given him notice but he will know the answer. It is prompted by an article in the *Globe and Mail* headed, "Weapons of Influence; Drew Says Contracts Used to Keep Liberals in Power."

Mr. Speaker: Order.

Mr. McIvor: My question is: Was the placing of contracts by the dominion government carried out so honestly and was it of such service to the country as to have the profound influence it did in the last election?

Right Hon. C. D. Howe (Minister of Defence Production): I may say there are no political implications whatever in the placing of contracts by the Department of Defence Production.

NATIONAL DEFENCE

RESERVE ARMY—REPORTED REDUCTION IN TRAINING DAYS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to address a question to the Minister of National Defence. Has there been a change in the policy of the department, involving a reduction in the number of days for which reserve army personnel can be paid for training? I ask this question because I understand an order has been issued in western command reducing the number of training days for reserve army personnel to 30.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I am not aware of that. I shall look into the matter and advise the hon. member.

HOUSING

REQUEST THAT GOVERNMENT SUPPLY PORTION OF HOUSING ACT FUNDS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Public Works. In view of yesterday's announcement by the banks indicating a decline in money being available for housing, would the government consider again supplying a portion of N.H.A. funds as it did before the first session of this parliament?

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): Mr. Speaker, I will take the hon. member's question as notice. I will be glad to bring it to the attention of the minister, who will be back tomorrow.

Inquiries of the Ministry

VETERANS AFFAIRS

CHANGE IN STATUS OF KINGSTON DISTRICT OFFICE

On the orders of the day:

Mr. A. J. Brooks (Royal): I wish to direct a question to the Minister of Veterans Affairs relative to the Department of Veterans Affairs office in Kingston, Ontario. Is it the intention of the Department of Veterans Affairs to reduce the district office of the department at Kingston, Ontario, to a sub-district office, and have the documents of the district office at Kingston been parcelled up and transferred to Toronto and Ottawa? If so, what is the reason for this change?

Hon. Hugues Lapointe (Minister of Veterans Affairs): It is the intention of the department to reduce the Kingston office to the status of a sub-office, and I believe this decision is being implemented at the present time. The decision was reached following a survey of the work load in that particular district and because of the decrease of the work in that office it was decided that it would be both more efficient and more economical to reduce the office to the status of a sub-office. The personnel will be decreased by about 25, I believe. Part of the work will be done in the Ottawa district office and part of the work involving the county of Northumberland will be done in the Toronto office.

Mr. Brooks: Has the minister received any protests from any veterans organizations in Kingston opposing this move?

Mr. Lapointe: No, sir.

BUSINESS OF THE HOUSE

MANNER OF ASKING QUESTIONS ON ORDERS OF THE DAY

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I wish to raise a point of order. It concerns the manner in which questions on the orders of the day are being asked. I understand that in asking questions on the orders of the day the intent of a question must not be the imparting of information but simply the asking of a question.

What I have in mind is a question asked by the hon. member for Okanagan Boundary (Mr. Jones) this afternoon. As a supplementary question he asked whether the minister was aware that Indians on a certain reserve have taken up shotguns, apparently against the provincial officials.

I do not object to the question but the purport of the question is that a statement has been made which may result in a wrong interpretation. We do not know whether or not the statement is true, and it could be interpreted that a sort of civil war has commenced between Indians and provincial government officials.

Mr. Ferguson: Get it in the movies. Call in Hollywood.

Mr. Hansell: I do not know what all the gabble is about.

Mr. Ferguson: The kids will love it.

Mr. Hansell: That information is given. I think we have a right to know the source of that information. Otherwise it may cause some considerable reflection upon individuals and, in this case, perhaps upon the British Columbia provincial government.

Mr. Jones: In answer to that statement may I say that the information was given on the C.B.C. news this morning.

Hon. W. E. Harris (Minister of Finance): If I may speak to the same point of order, Mr. Speaker, I should like to say this. Earlier the hon. member for Burnaby-Coquitlam (Mr. Regier) asked a question in which he said that the banks had made a certain pronouncement with respect to lending on mortgages. While I do not profess to be fully informed about what the banks do, I am reasonably certain that I would have been informed of this development. However, it is my impression that only one bank stated that its portfolio was now full of mortgages and that it was unlikely to have additional money for mortgage lending.

This question was put in the form of the banks' announcement and I am sure—at least I speak subject to correction—that the bankers' association did not say there would be no more bank lending on mortgages. I say that only to emphasize the point of order, namely that some questions are placed in the form of a statement of fact and that they are never caught up with if they are in that form and happen to be wrong.

Mr. Speaker: Perhaps I might take this opportunity to inform the house how fully I appreciate the basic difficulty whenever question time comes along. As hon. members know, the same rules apply to questions asked orally and to written questions placed on the order paper after notice. There is a long list of limitations as to the type of questions which may be asked before the orders of the day are called. They are to be found at page 119 of Beauchesne's third edition. Although they are not obliged to do so, hon. members sometimes, through courtesy, give notice to the minister who is to reply to the question. Sometimes I myself receive a copy of the notice, for which I am grateful.

Most of the time, however, I do not get a copy of it. I do not complain about this matter because hon. members are not obliged to give me notice. But I cannot judge a question until I have listened to it. Once I have listened to it, if I see that the minister is ready to reply, I feel that it is his wish and that of the house generally to have the question dealt with.

There is no doubt in my mind that some questions contain a great number of unverified facts and should be prohibited before the orders of the day are called. If I were to interpret the rules in the way in which they should be interpreted and if I followed the previous rulings given over the years by my predecessors and reported at page 119 of Beauchesne's third edition, I think I could cut off about 95 per cent of the questions that are asked. Such action would be interpreted as extremely drastic action on my part. I myself do not see how we can properly give justice to hon. members who from time to time complain about the manner in which these questions are being asked.

I would ask the hon. member for Macleod (Mr. Hansell) to realize that I agree with him but I would ask him to put himself in my position and to realize how difficult it is for me to enforce, in the way in which they should be enforced, the rules of the house with respect to these questions.

Perhaps I might venture a comment which some hon. members may feel to be uncalled for. I will risk making it, depending upon the indulgence of hon. members. We often hear some hon. members say that the British system with regard to question time is better than ours. May I say that in the British house no question may be asked without previous notice. I myself would much prefer that system.

Mr. Hansell: Mr. Speaker, I would not want it to be thought that I was criticizing your decisions or your work as Speaker of the house, because I certainly would not do that. All I am suggesting is that when questions are prefaced with statements, we at least have the right to know the source from which the statement comes.

INQUIRY AS TO SETTING OF DATE FOR EXTERNAL AFFAIRS DEBATE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance in his capacity as house leader? Can he say when arrangements will be made for the debate on external affairs to which his colleague, the Secretary of State for External Affairs, made reference yesterday and again today?

Hon. W. E. Harris (Minister of Finance): I hope this debate will be ended earlier than the last possible date, namely a week from today. Should it not be ended until that time, then we can arrange a suitable time shortly after that, not next week but perhaps in the following week.

BROADCASTING

INQUIRY AS TO REQUEST FOR TIME ON STATION CBUT, VANCOUVER

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): I wish to direct a question to the Minister of National Revenue, of which I have given him notice. Did any member of the government of British Columbia request time on station CBUT in Vancouver for political purposes in the Vancouver Centre by-election? If so, did the regional director in British Columbia refuse that request?

Hon. J. J. McCann (Minister of National Revenue): I wish to thank the hon. gentleman for having given me notice of his question. I am informed by the C.B.C. that the government of British Columbia did not request time, paid or otherwise, on station CBUT for political purposes in the Vancouver Centre by-election.

POWER

BEECHWOOD PROJECT, NEW BRUNSWICK—INQUIRY AS TO FEDERAL AID

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Would the Minister of Finance advise if the government has changed its mind with regard to its refusal to help finance the Beechwood hydroelectric project in New Brunswick?

Hon. W. E. Harris (Minister of Finance): I feel, Mr. Speaker, that this is one of those questions that might very properly be put on the order paper or be the subject of debate. It seems to assert a policy about which, to my knowledge, I have not said anything in the house. I shall have to examine the question to see what answer is required.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 17, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

(Translation):

Mr. Yves Leduc (Verdun): Mr. Speaker, in a page where friendly writer Legouvé extols the merits of women, I came across a remark which has remained engraved in my memory: "Our glory is the outcome of a smile". When I heard the hon. member for Timiskaming (Mrs. Shipley) move the address in reply to the speech from the throne, I understood that beyond her smile which promised intellectual brilliance she had put in her speech a large part of her heart. Had it not been for the warmth of the speech of the seconder of the motion, I believe that she would have shattered the secular belief in man's intellectual superiority. Rather than dispute an opinion proudly held by so many human beings, may I be allowed to offer my warmest congratulations to my hon. colleagues of Timiskaming and of Bellechasse (Mr. Laflamme) for a performance that was brilliant from the oratorical, intellectual and political points of view. The honour and glory which they reaped on that occasion will unquestionably earn them the abiding confidence of their electors.

(Text):

May I be permitted, Mr. Speaker, to congratulate the mover (Mrs. Shipley), in her own language, upon the excellence of her speech in moving the address in reply to the speech from the throne. It is a tribute to her, not only on account of her personality and the fact that she is the only lady sitting on this side of the house, but it is also a tribute to every woman in Canada.

With your permission, Mr. Speaker, I shall continue my remarks in my mother tongue with the reservation that I shall conclude my speech in English, in order to show my affection and respect for my English-speaking colleagues in this house.

(Translation):

Last year I had the honour of moving the address. In my remarks pertaining to the electoral constituency I represent, I stated that there was only one important federal public service missing at Verdun, namely a post office that would adequately meet the essential needs of our greatly increased population. Without any delay, and perhaps to give the lie once more and in a tangible way to the unjustified and vague critics of some members of the opposition, our government, with its customary wisdom, understood the urgency and seriousness of the situation. Preliminary plans were prepared; the final plans were completed and the contract was granted to the lowest tenderer, without any political interference or influence, which greatly honours the honesty and conscience of the present administration. Preliminary work has just started and we hope that, before the end of 1956, the new Verdun post office will stand in all its glory for the benefit and advantage of my fellow citizens. I wish once more to express my most sincere gratitude to the Minister of Public Works (Mr. Winters) and to his faithful and devoted parliamentary assistant (Mr. Bourget). The late lamented Hon. Alcide Cote contributed in no small measure to the realization of a project close to my heart. In my unworthy prayers, I reserve for him a heartfelt and grateful remembrance.

It is therefore with real pleasure that I wish to associate myself with the words of His Excellency the Governor General of Canada who, in the speech from the throne, stated with good cause that:

> Various departments and agencies of government have sought to arrange their construction programs to provide more employment during the winter season.

Further on, this speech reveals an aspect of the social policy of this government and demonstrates its great readiness to relieve human suffering through changes in the National Housing Act and increased aid toward slum clearance and rehabilitation of the blighted areas of our cities. That is, Mr. Speaker, one of the best means of fighting juvenile delinquency; I am sure that the Canadian nation will join in the praise and congratulations which I am glad to extend to the administrators of this country. The working and underprivileged classes of society will also benefit from the paternal support of a state which unstintingly seeks the common good. Since we have touched upon the question of charity, would it be too much to wish that, as far as practicable, the hon. Minister of Finance (Mr. Harris) will, at this very session, lighten the burden of the taxpayer stricken by illness either personally or through his loved ones, by amending the Income Tax Act in order to allow the deduction, from the income of individuals, of all medical expenses.

At the opening of last session, I felt it my duty to appeal to the noble feelings of the members of the opposition and to invite them not to scream out loud without reason, not to exaggerate the seriousness of our national or international problems, not to try deliberately to provoke unrest and confusion in the minds of the population, to avoid preaching defeatism and not to ignore the explanations, the advice and the generous efforts of our government.

Every one in this house remembers however that most members of the opposition, particularly those of the official opposition, displayed their well-known pessimism by maintaining that there is widespread and acute unemployment in this country, and that Canada is heading towards bankruptcy. Together with many members from this side of the house, I protested vigorously against a stand or an attitude so prejudicial to the welfare and to the reputation of the Canadian nation. No, Mr. Speaker, it was not logical to talk about acute unemployment and distress in the country when there was only underemployment of a regional and seasonal nature, when our economy remained buoyant, when salaries and the standard of living were high.

I was glad last week to hear from the very representative of the Queen of Canada that the year just ended has been the most productive in our nation's history, that more men and women have been employed than ever before, that our harvests have been abundant, and that our trade has exceeded all earlier levels.

Unlike that of its opponents, the policy of the government is to work in a quiet and efficient way, and to spread, as usual, a rightful optimism. Against defeatism, it casts its energy, its power, its courage, its work and its victory; to mere talk, it opposes action and tangible achievements; in the face of depressing criticism, it shows its record of achievements and good deeds, the fruit of its labours, its competence, its will to fulfil the social mission that was bestowed upon it by Providence for the welfare, peace and happiness, not only of the Canadian nation, but of the whole of humanity.

May I be permitted, Mr. Speaker, at this stage of the session that has just begun, humbly to express some suggestions and wishes of a purely practical nature.

Competent engineers are working at the present time, following suggestions made by interested localities, on the plans of a bridge which is to be built in Verdun, as I hope, or in the immediate vicinity, to connect both banks of our national river, in conjunction with the gigantic undertaking of the St. Lawrence seaway. Would it be premature at this time to wish that this piece of architecture be called "Louis St. Laurent bridge" as a tribute to the dynamic personality and the prestige of the present head of the Canadian nation, or just to commemorate the beneficial repercussions of his journey around the world during which he was rightly acclaimed and was able to note the marked progress towards his objectives, which is the recognition, by the other nations of the world, of our distinctive national identity, of the broadmindedness of Canadians and of their desire to fraternize with their fellow men. This, Mr. Speaker, is merely a personal suggestion which I wanted to put forward in my anxiety to avoid the trouble recently experienced with regard to the construction in Montreal of an up-to-date building, though devoid of the characteristics of a castle. With respect to this, I still trust that the management of the Canadian National Railways, who are solely responsible in this matter, will reconsider, if not for historical and patriotic reasons, at least in order to avoid certain inconveniences with regard to the transportation of tourists which may result from the existence of another hotel bearing a similar name.

Along the same lines, Mr. Speaker, and without wishing in the least to kindle racial prejudices of any kind, may I make so bold as to request the government, within the framework of its responsibilities, to see to it that those responsible for the filling of federal positions in Montreal and in other centres of this country, apportion these appointments with a view to providing adequate representation for all parts of the population, with regard to racial origin, while having due regard also for the ability, availability and effectiveness of candidates as well as for the rules and regulations in force at this time.

Public opinion and religious authorities have been quite concerned, for some time, and more precisely for a few months past, over the banefulness of certain immoral publications circulating throughout this country at the present time. True the federal government has done its part in the enacting of section 150 of the Criminal Code which concerns the entry into this country of obscene published material and its production, printing, distribution, circulation or possession. However, I thought it my duty, as a Christian and head of a family, to make this appeal in the house to the interested parties, in particular to the printers, distributors and dealers of these venomous publications, asking them to have the courage of their convictions and to work for the safeguard of the moral health of our people, especially of this the most tender section of our population, our children, this human capital that it is

our duty to mould, guide, encourage and feed, not with poison, but with the best cultural vitamins that we must administer to them intelligently. Quite often, in the course of electoral campaigns, speakers hold up cavalierly and on the least provocation the flag of autonomy and respect for the constitution. Well, Mr. Speaker, in the name of this autonomy, is this not for me an excellent opportunity to urge provincial censorships, where they exist, to use the necessary means at their disposal with a view to effective and constant respect for the law, if the ones responsible for its application are moved by a sincere desire to make use of this autonomy for positive, definite and moralizing results.

Mr. Speaker, I would not want to resume my seat without saying that right-thinking people in our country are convinced that our government, in administering the affairs of the country, shows the will to develop "our conquering energy" in the establishment of a true Canadian spirit, invigorated by the culture of our two great races and being, through its very existence, a source of peace, happiness, prosperity and fulfilment for our nation and for the community of free nations. The present government knows that its essential mission is to establish and maintain peace, the basis of all public happiness, through justice and the defence of the freedoms and the rights of everyone. It knows also that its supplementary mission is to replace private enterprise when it is found wanting or when its means are insufficient. Through legislation that has stood the test of life and of experience, our government ensures the progress and development of the nation and the stability of internal peace.

Following the first world war, an eminent French scholar, moved by all his country's misfortune, said:

To survive, France must grow.

Well, Mr. Speaker, the same applies to Canada for we have all the necessary elements of greatness. We have a vast territory; our population is constantly increasing, our inland navigation is growing and will further develop as a result of the deepening of the St. Lawrence river; we have a long seashore where we can build harbours that could serve powerful fleets to facilitate and provide uninterrupted commercial exchanges. But such industrial and commercial development is not sufficient. To be worthy of itself, to promote peace and harmony among its members by means of a truly Canadian mentality, the Canadian nation must, through moderation, tolerance, work and know-how, make that mentality acceptable to all groups and all nationalities. To achieve that noble goal, men on the political and intellectual battlefields must give leadership and keep that goal constantly before the eyes, the intelligence and the will of the people so that freeing itself from the grips of prejudice and fanaticism, and understanding the perils of the future, the whole nation may marshal all its forces, energies and determination and bring together, so as to give life to the great ideal of Canadian greatness, all those who, under confederation, wish to go on living and ensure the greatness of our country, Canada.

(*Text*):

Mr. Speaker, as I promised, I should like to repeat in English the conclusion of my remarks in French. Following the first great war it was said by a highly cultured Frenchman that if France wanted to continue to live she must become greater. The same can be said of Canada, for we possess all the necessary assets to ensure our greatness. We have an immense territory, an ever-increasing population, inland waterways which will assume much greater importance with the development of the St. Lawrence seaway, an immense coast line along which can be built harbours capable of accommodating powerful fleets which will facilitate trade.

However, industrial and commercial development will not suffice. In order to retain its self-respect, to promote peace and harmony between its members through the development of a true Canadianism, the Canadian nation must by its moderation, tolerance, hard work and skill bring all groups and all nationalities to the acceptance of such Canadianism.

To achieve this noble ambition the soldiers on the intellectual and political battlefields must give leadership, must always direct their eyes, their intellects and their wills toward the objective to be reached in order that, freeing themselves from prejudice and fanaticism and realizing the dangers with which the future is fraught, our people will consolidate their forces, their energies and wills and rally under the standard of Canadian might all those who under the aegis of confederation wish to continue to live and to ensure the greatness of our country.

Mr. J. H. Ferguson (Simcoe North): Mr. Speaker, I rise today to say a few words on what I believe to be one of the most important speeches made in this parliament during the session, the speech from the throne. The people of this country wait most intently for the delivery of the speech from the throne, in other words, for words from the

government as to what people in all walks of life may expect in the way of management of the country's affairs.

It is or should be a guiding speech so that great industries may know whether to expand or curtail their production, so that the farmers of this country can make up their minds as to what crops they should specialize in. Our distributors of commodities from coast to coast await very intently the delivery of the speech from the throne. The people are entitled to know what the government intends to do on their behalf, at least from year to year. The government has available in the dominion bureau of statistics greater sources of information on world conditions, world production and, more particularly, Canadian production than any other group of people in this country. If people do not furnish to the dominion bureau of statistics information that is as nearly accurate as possible, they can be fined or imprisoned for not furnishing such information. It is compulsory. The gathering of this information is for the specific purpose of keeping the government posted.

After all, who is the government? The government is the Canadian people. So the bureau of statistics is gathering this information for the Canadian people. From the speech from the throne I cannot see, for the life of me, any semblance of information for the people of Canada that has necessitated to any degree the bureau of statistics.

One item was the trans-Canada highway. That was old 20 years ago. That was initiated to give the unemployed young men 10 cents an hour, or $5 a month. It is something we should hide and forget about; it is a disgrace. We have men sitting in parliament today who worked on that project and received that kind of money, for wheeling muck from one mound to another and back again. That project should have been completed 15 years ago in a country like Canada. It would have been completed 20 years ago if we had had either a Liberal or a Conservative government in power with enough gumption and initiative to do the proper and decent thing. Everyone knew 20 or 30 years ago that the trans-Canada highway was a necessity. Look how they have handled it. Now they bring it out in the year 1956 as something great for the future. It is something of the past that we are going to do in the near future, everybody hopes.

The next item is the trans-Canada pipe line. It has been pulled apart, rebuilt, discarded, started east, north, south and in all directions, and finally we find it now in the 1956 budget. What kind of guidance is that from the bureau of statistics, who are the servants of the government of Canada? Is it a guide as to what course the government should follow this year?

A most important item, immigration, has been forgotten. That is something that never gets old. Selective immigration will always be a "must" for the Dominion of Canada, certainly for the next 75 to 100 years. Only in today's newspaper we see that there exist in this country shortages of materials and labour. We have had no guidance in the immigration department of this government since the war. When one man admits failure, they give him another cabinet job. The greater the failure is, the more promotion he gets in his next job.

For a long time we were told there were not sufficient ships to bring to this country artisans who could do a job. Shortly after the war many desirable immigrants from many desirable countries in the world wanted to come to Canada, but there were not enough ships to bring them—people from England, Ireland, Scotland, Germany, Switzerland, Holland and Italy. We screened them to see if they were farmers, barbers, butchers, bricklayers or other types of workers that this country could absorb. Now we find ourselves faced with a tremendous surge forward in the growth of Canada, short of people to operate the country. If that is foresight, I do not want that kind of foresight.

There is an item that should have been foremost: coping with the prosperity of this country. It is very funny to listen to some of our Liberal members speak on the budget. They point their finger to the opposition and say, "In one breath the opposition say there is great prosperity in the country, and in the next breath they say it is going to the dogs". As this is not the case, I will say now that there is the greatest prosperity in Canada today that this country has ever enjoyed.

Some hon. Members: Hear, hear.

Mr. Ferguson: You are applauding a little too soon, gentlemen. That is your trouble. You are willing to applaud and pat yourselves on the back when the country is enjoying only half the prosperity it should be. That is the Liberal gauge for prosperity for the people: "Half of what you should have is sufficient for you." Half of the prosperity to which this country is entitled, according to the Liberal government, is sufficient for the people of Canada. That is not my opinion about the prosperity of this country. The prosperity of Canada today should be twice or three times as great as it is. There is virtually no limit to what this country's prosperity should be in the year 1956.

I noted when my hon. friend from Fort William (Mr. McIvor) spoke yesterday he suggested there should be a new post in the cabinet, the minister of peace, and that the minister of external affairs would be the very man to suit that position. May I suggest another post for the Liberal cabinet: the post of Moses. He would give this country the guidance and prosperity it needs. The Liberals are very prone to forget that the cabinet of the government of Canada has assumed the position of the great Creator. They smile and stick out their chests as if they had put the oil in the ground in Alberta. They are taking the credit for the iron ore being put in the ground in Quebec and Labrador.

An hon. Member: No, Mr. Manning put the oil in the ground in Alberta.

Mr. Ferguson: They forget about God and say it is the cabinet of this government that has the credit for having done all this. If they reflect quietly about this, the people of Canada will realize that the great credit for the prosperity of Canada has been brought about by individual corporations and men with vision and confidence in the country and in the development of its natural resources. That is what has brought prosperity to Canada from one end of the country to the other. But the Liberal government, which is responsible for immigration and for keeping in pace with the national prosperity resulting from the resources of this country, has fallen down badly on its job. No matter how obvious the needs of this country, this government has done nothing to create any spark of prosperity. What has the government done that they should claim any credit? You hear them talk about the schools they are building. One C.C.F. member from Saskatchewan who spoke yesterday said, "If it was not for the federal government what would Saskatchewan do without schools?" Let me say this to him. The government is only giving back to the people of Saskatchewan money that they were forced to entrust to them. He spoke as if the federal government was making a gift to the great province of Saskatchewan. He did not even intimate, he asserted, that if the Conservative party were in power the province of Saskatchewan might lose their sources of money for education and that their educational standards would probably drop. How absolutely ridiculous and unfounded such a statement is!

Can anybody in the world conceive of any ten men in the House of Commons, irrespective of politics, cutting down or curtailing the educational system anywhere in Canada? A man who makes such a statement does so deliberately to mislead the public or for want of something to say, and I think the latter was probably the case yesterday.

There is a perplexing problem mentioned in the speech from the throne, the problem of wheat. Here is where the Moses of the cabinet comes into the picture. The Moses of the cabinet stepped forth and said: "Moses is going to lead you into the land of promise; it is a godsend we have got all the wheat we have and no place to put it." Oh, what a Moses! Everything is going to be all right. Let me remind the Moses of the cabinet and the government that after the war European countries wanted all the wheat and other food commodities they could get but they did not have the necessary Canadian dollars to buy these commodities. Therefore they did everything in their power to plant wheat from which to make flour and thus replace to a degree the finest wheat in the world produced in this country simply because they could not buy our wheat. Through dire necessity, not having the money to buy our wheat, not having the Canadian or United States dollars, they began raising their own wheat.

In France 70 million bushels have been produced this year and in other parts of Europe 100 million bushels. The British Isles are almost producing enough wheat to fill their requirements. We sat back in 1953 with a crop of inferior wheat. We piled it into our granaries. We used all available storage space for that wheat when we should have sold it at a reasonable price for cattle feed. We should have got rid of it. We should have released the space knowing the positive fact that that wheat was not suitable wheat for flour. We should have taken 70 cents a bushel if necessary and made space available for the wheat crop of last year.

An hon. Member: Tell the farmers that.

Mr. Ferguson: I am sure that the members of the government, with their tongues in their cheeks, are hoping that the Good Book will come true and that there will be seven years of plenty and seven lean years.

Mr. Murphy (Lambton West): And grasshoppers.

Mr. Ferguson: If that occurs, and the old Bible is never wrong as far as I am concerned, then the government will get off the hook. They will be saved but they will be saved through Providence and not because of their vision or their proper management of the country's affairs. As sure as you are a foot high, if that prediction is one year out all the assets we believe we have in the form of wheat, for which the farmers are not being paid, will not be worth very much. I say

that if the farming community of the Dominion of Canada is not prosperous the factories will not continue very long to produce the commodities that our farmers normally purchase. Men will be laid off in our machine shops. The motor car industry will not be talking about a tough time due to a strike. It will be talking about a tough time due to lack of sales. We in the provinces of Quebec and Ontario will feel the results. We felt them in the thirties.

It is all right to talk about the terrible thirties and say they will never recur. Nobody wants them to recur and we can avoid the conditions of the thirties to some extent if we give the people of Canada some guidance as to what they should be able to do for the next 365 days. They are intelligent, industrious people. The government can and should give the Canadian people the proper guidance. They should give the Canadian people their head, give them the resources God gave them, and we will not need any nonsensical talk 30 years hence about the trans-Canada highway or the pipe line.

What a speech from the throne we listened to this year! What an incentive for the people of Canada! I have listened to quite a few speeches from the throne and in my opinion the present one is the poorest, the most sparse and bare speech that has even been delivered. In a year of prosperity there is no guidance for the future except from the Moses of the cabinet who says that our wheat is a great asset. It is like some people who had a few million dollars in the thirties. They had a great asset, but the great majority of the people were suffering from want, and that is what is happening today.

It is all right to tell the farmers of the country it is a great asset but we should be selling feed grain to eastern farmers in Quebec and Ontario at a reasonable cost and clearing our granaries for first-class flour grain which we can hold in readiness for the lean years that are bound to come. Do not continue to fool the people of Canada because the greatest sufferers, the people who will feel the sharpness of defeat, are the men who sit on the Liberal benches, particularly the members of the cabinet. They have missed an opportunity, a great chance, to do something as businessmen instead of spending their time changing one cabinet minister from one post to another.

During the last election campaign they paraded a galaxy of pictures and said, "Look at all the wonderful men we have to fill the cabinet posts." Take a look at the posts today. They are almost all changed. With the exception of two, none of them occupies the same post, and one of them has been in every position in the cabinet in an effort to bolster up the brilliance that was depicted to us by the Liberal government during the last election. Some brilliance! Some cabinet!

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, today I should like to make a few remarks concerning the guaranteed annual wage. Possibly it might be more pertinent to discuss wheat or the pipe line at this time but full-scale debates will be coming up in these fields soon which will afford me the opportunity to participate and make my contribution at that time, and also this debate is of course a general one.

Before I bite into the core of my remarks, however, I should like to make a few comments about matters of interest to my constituents and also to touch very briefly upon the international scene. First, may I congratulate most warmly and sincerely the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne upon their excellent contributions. May I also congratulate the new Postmaster General (Mr. Lapointe), whose department is so important to my constituents. Finally, I should like to congratulate the Prime Minister (Mr. St. Laurent) and his colleagues for their effective governing of the country in both external and internal affairs since the house prorogued last July.

I feel, Mr. Speaker, that the Post Office Department, which has been criticized in the past, should be voted a hearty "well done" for the excellent job carried out this past Christmas. In my part of the country great credit should go to the postmaster of Toronto, Mr. Harry Lawrence, the various local postmasters, the inside staffs and, last but not least, to those tireless, good-natured and indispensable men, the letter carriers. They deserve the best but often I think they are the unsung heroes of the communications world. We in York Centre are grateful that approximately 40,000 more people now receive letter carrier service than received this service in 1953. There are still pockets which are not being served and there are also some brand-new subdivisions, but I feel sure that the Post Office Department will assist us in this regard and will render to us the effective and efficient service given us in the past.

I said that I would allude briefly to foreign affairs. I discern that the government is playing a more positive role in world affairs at the present time and this course I vigorously applaud. One might mention the trip of the Secretary of State for External Affairs (Mr. Pearson) to the Soviet union and Asia and also one might mention the brilliant work of

the Minister of National Health and Welfare (Mr. Martin) in steering through legislation in enlarging the membership of the United Nations. One important role I suggest we can play—and one which I urged in this debate in 1953—is to be a bridge between the United States and the commonwealth countries of Asia. I will go further. I say we should be a leader in promoting economic assistance and in rendering moral and political support to the peoples of Asia and Africa. It is interesting to note that the only important western statesman to visit India since last July is our Secretary of State for External Affairs, to counteract the influence of the Russian threering circus featuring those two performing bears. Mr. Speaker, it has often been said—and I believe rightly—that one of the best ways to combat communism is by social reform. It therefore follows that the way in which to combat communism in Asia and Africa is by helping the Asians and the Africans to raise their living standards by helping them to help themselves, not by turning the other cheek to colonialism or by allowing them to drift and slide or slip into the Stygian depths of Soviet totalitarianism.

I come now to the guaranteed annual wage or supplementary unemployment benefits or compensation as the plan is sometimes called. It is a social and economic phenomenon indigenous to North America. The idea is that industry provides basic financial security to the union member to the same extent as government does in several European countries. It will be the purpose of this brief discussion to weigh the various influences of this plan in an effort to determine the possible effects on our economic and social system.

At the outset I may point out that it would not appear to be as radically new a departure as it is reputed to be. The collective agreements provide only for supplementary unemployment payments to be added to existing unemployment insurance benefits. The principle is then to supplement present unemployment insurance legislation. Second, the idea is not brand new either. Various companies in the United States have had such plans of one kind or another in effect for some time.

The great United States jurist, Mr. Justice Brandeis, put it this way several decades ago:

> The right to regularity in employment is co-equal with the right to regularity in payment of rent . . . is as imperative as the reserve for depreciation; and it is equally a part of the fixed charges to make the actual contribution to that reserve. No business is socially solvent which cannot do so.

Again the sovereign state of Wisconsin in 1932 set up a state scheme of employer-financed unemployment compensation.

In brief, how does this plan work? Usually the company involved puts up 5 cents per hour for each hour worked by each employee in a special trust fund. When the fund exceeds a certain size in relation to the number of employees, the contribution of the employer ceases. The employee is entitled to draw on this fund during a lay-off for a one-year period, provided he has two or three years' continuous service with the company. Such payments, when added to unemployment insurance, comprise anywhere from 55 per cent to 75 per cent of ordinary take-home pay. In some cases the effect of the supplementary payments is nearly to double the unemployment insurance payments, particularly in the United States. In this country, in considering for example such union agreements as are in existence with Continental Can and American Can, the effect is to increase the unemployment insurance payments by approximately 50 per cent. In other words, if the unemployment insurance payment provides $30, the employee receives an additional $14 from the fund, making a total of $44.

Let us now detail some of the arguments raised against the guaranteed annual wage and endeavour to determine their merit. The first argument is that such a plan is possible only if a market can be guaranteed. If management cannot be guaranteed a salary, how can labour be guaranteed a wage? That is the way the argument runs. Guaranteed annual wage plans have been in effect for some time in such United States companies as Procter and Gamble, the Hormel Meat Packing Company and the Nunn Busch Shoe Company, to cite but three examples. At Procter and Gamble a full year's work is guaranteed but the company reserves the right to cut work and does not specify the wage rates. At Nunn Busch the year's work is similarly guaranteed but the volume of sales determines the amount of the cheques. Hon. members will note that these are consumers' goods industries with a relatively stable and constant market compared with durable goods industries. I would think, however, that the same argument would be applicable to the automobile industry. Certainly, as has been the experience since the war, in the foreseeable future demand will be constant over the long run owing to the increasingly voracious appetite of the public for new cars and owing to the increasing demand resulting from the growing Canadian population. Perhaps the solution generally would be to tie in the plan with sales. Certainly it has worked in this way in the examples I have cited above.

The second argument against the plan is that such a plan will ruin the spirit of adventure which is said to be a characteristic of the Canadian businessman. It is argued that employers will restrict production and

employment to a minimum and that the resultant curtailment of industrial expansion in this country would bring on an economic recession. I respectfully submit that this argument has no merit whatsoever. Employers who have orders or expect to receive orders are going to fill them by hiring more employees, if necessary. If customers do not get service they will go elsewhere. It would take a high rate of supplementary payments to make employers lose customers rather than pay temporary employees.

Then again there are two other reasons why the plan, if applied generally, would encourage expansion rather than curtail production. Expansion means that the rate of lay-offs will be kept down and contributions to the fund will be accordingly less. Second, to the extent that payments under the plan mitigate the severity of depressions, the less risky is it to expand in the economy. There is thus more security for the industrialist as well as the employee within this framework, and hence the Canadian businessman can expand with considerably less risk and fear.

Another contention is that the accentuation on security will render the Canadian worker indifferent and rob him of initiative and ambition. But would anyone seriously believe that the Canadian working man would be satisfied to receive 65 per cent to 75 per cent of his regular pay when he can earn 100 per cent by working? A person believing this is, I say respectfully, unaware of the fierce desire among Canadians today to enjoy the amenities of life and is also unaware of the Canadian workingman's competitive fervour to live as well as his neighbours, to say nothing of his wife's desire to get him out of the kitchen and out of the house when jobs are available.

The great merit, Mr. Speaker, of the guaranteed annual wage is, of course, that it gives the unionized workingman security in a complex society where otherwise he would be at the mercy of economic conditions of supply and demand over which he would have little or no control. It is contended by union spokesmen that management now has an economic and social responsibility to provide steady, fulltime work for their employees. To avoid lay-offs, apart altogether from market factors, it is incumbent on management to plan and organize more effectively. Of course, once a fund is built up and is not depleted by lay-offs, management contributions will cease. It follows, therefore, that the efficient management will reap the benefits under the scheme. This will be applicable to both large and small companies, as size would seem to be irrelevant.

To sum up the other advantages I have alluded to previously I would say that the guaranteed annual wage plan would add modestly to the resistance against recession; would stimulate to some extent and would certainly not deter the expansion of industry. Then too, in itself, it would not be an inflationary influence except in so much as any force limiting recession is inflationary. Finally, as I have just said, production and employment would tend to be concentrated a little more in the more efficient industries, both large and small.

In conclusion, Mr. Speaker, it seems to me both ironical and unfortunate that the plan, even in concept, is bitterly assailed by important sections of business. This is understandable, of course, if one has the nineteenth century laissez-faire economic outlook. But anyone who thinks those days are still with us is whistling in the graveyard. The mid-twentieth century concept of society is, as I see it, a concept within the framework of which everyone has a right to a job, the right to work, and the right to provide his family with a basic minimum of the necessities and amenities of life.

I said it is ironical that industry is in some quarters hostile, because if industry will not provide that basis of security to its employees, then the state will. Let us make no mistake about that! In this country we have a mixture of private and public enterprise, with the emphasis on the former. We have generous smatterings of the welfare state, and we will and must have a comprehensive national health plan as soon as arrangements can be worked out with the provinces. Our system has worked well, and I am sure that the business community will continue to measure up to its public responsibility now as in the past.

As for labour, it has always played a solid constructive role in the development of this country. Organized labour is one of the great progressive forces in our community; always at the forefront against discrimination in any of its vicious forms; always forward looking in its vigorous espousal of the causes of economic and social reform. As one of the cornerstones of our democratic state, organized labour is truly a bulwark against reaction and fascism or any other form of totalitarianism.

It is my opinion that the guaranteed annual wage opens up new vistas, new challenges to industry, which I feel certain will prove beneficial to labour, to management and to the Canadian people and will render even greater the speedy development of this great Canada of ours.

Mr. Alistair Stewart (Winnipeg North): The leader of the house told us today, Mr. Speaker, that within the next two or three weeks there would be an opportunity to have a debate on external affairs. That being so, I want to speak today about the situation in the Middle East. I do so for this reason. I want to advance certain propositions and to ask certain questions of the minister which he will have time to consider and which perhaps he will be able to answer.

The situation in that part of the world has become increasingly tense in the last few months, although judging from the Prime Minister's answer to my question today the right hon. gentleman did not seem to be too much aware of it. His Secretary of State for External Affairs (Mr. Pearson) is, as is illustrated by the fact he said there have been disturbing developments in the middle east in recent months. But the government as a whole apparently does not accept that fact. Potentially, the situation in the middle east is much more dangerous than that which existed in Korea or Indo China. The western world finds itself in trouble, and in no small measure through the shortsightedness of its own policies the western world has brought that trouble on itself.

What I do not like to see, and what I am not prepared to support, is any action by this country or this government which is going to add fuel to the flames which already exist. Canada is sending aircraft to Egypt. The minister told us that these permits were issued in the early summer. There is a vast difference between the situation which prevailed in the early summer of last year and the situation as it prevails today. There would have been much less danger in the situation had the aircraft been shipped when the permits were issued. Then only a few people realized that perhaps Russia was going to enter the Middle East in the way in which she did. But the unhappy fact is this. Although this government has expressed a desire to keep some sort of balance in the Middle East, yet it knows as well as I do that within recent months Egypt has entered into negotiations with countries behind the iron curtain whereby Egypt is buying at least $100 million worth of arms, and not at current market values. They are being bought at fire sale values, in some cases at a discount of as much as 90 per cent.

The result of that is going to be a decided imbalance of arms in the Middle East, with the Arab nations, comprising some 40 million inhabitants, replete with arms supplied by the Soviet union, ready to wage war on the small democracy of one and three-quarter million people which we helped to create. It is utter folly for Canada to send arms to a country which at this moment is already being armed by the Soviet union. Yet, according to what the Prime Minister said today, the government intends to proceed with this policy which I maintain is disastrous. I repeat, there is a vast difference in the situation as it exists today, and the situation as it existed when these permits were granted.

Yet there is a layer of whitewash being administered by departments of government and on the radio. Last night I heard Mr. Blair Fraser discuss this matter on the C.B.C. I imagine he is a self-appointed Liberal apologist. I listened to him at first with some amazement, and then with great hilarity.

An hon. Member: He is a Tory.

Mr. Stewart (Winnipeg North): I cannot find the difference between a Tory and a Liberal sometimes. I am not suggesting he is a professional apologist. He is, however, a most highly enthusiastic amateur.

I want to remind the house of what has happened in the last week. I asked the minister a question last Wednesday. I suppose many members of this house had known that planes were being shipped to Egypt. It was no secret. The news appeared in the December issue of *Canadian Aviation,* a journal published in Toronto. I asked the minister whether these planes had been shipped and his answer was that, to the best of his knowledge, such was not the case. He said explicitly:

> In order to give a final answer to this question I would have to make inquiries of the Department of Trade and Commerce as well as my own department. However, I believe I can say at once that I know of no shipments of Canadian aircraft to Egypt or of any orders for such shipments.

The members of the opposition sometimes find themselves in an unhappy position when a minister makes a denial. Of course the denial achieves publicity in the press, and I am not complaining about it. But, as I say, it does put those who know something of what is going on in an extremely invidious position.

I remember, Mr. Speaker, that on more than one occasion you have asked the members of the opposition to accept the word of a minister, and I think you were absolutely right. But I insist there must be a *quid pro quo.* If we are to accept the word of a minister, then the minister has to tell us the facts.

Mr. Pearson: Mr. Speaker, on a point of order, maybe I should intervene and say the answer I gave at that time was strictly accurate. No planes had been shipped to Egypt at that time and no orders had been received recently in the terms of the hon. gentleman's question.

Mr. Speaker: May I interject here. The theory of the hon. gentleman as to the acceptance of a statement by any member of this house, that is from one by another, is not quite accurate. I think he might well compare notes with the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stewart (Winnipeg North): I shall discuss the matter later with my colleague. I am now dealing with the minister and he is indulging in semantic quibbles.

Then the next day, knowing this was a matter of urgent public importance, I asked the minister again if the statement was right. The minister did not know then what the situation was. There has been nothing but confusion in this government. There is no liaison between ministers. They do not consult with each other. Each minister goes his own set way, and this minister was left in utter and complete ignorance of what was going on. The minister's answer to me, as reported at page 33 of *Hansard*, was:

I should have thought my hon. friend would have been satisfied with the answer to his own question which he gave to the press after the sitting yesterday.

The Canadian Press came to see me. I said I believed 25 planes were being shipped by Canadian Car and Foundry. This was published in the newspapers. Apparently the members of the opposition know much more of what is going on in the government than do members of the government. And I am satisfied that makes in no way whatsoever for good government.

Then the Egyptian ambassador appeared on the scene and stigmatized the whole affair as being a deliberate falsehood. Well, I had some sympathy for the gentleman. I remember the definition of Sir Henry Wotton that an ambassador is an honest man sent to lie abroad for the good of his country. His Excellency has all the attributes of an admirable ambassador and he should certainly go far in his chosen profession.

Then we have the case of the *Star of Assuan*. This is an Egyptian vessel which was taking a cargo to the Middle East. The captain of the vessel who might have access, one would think, to the ship's manifest said, "All we have are apples and things." These things included guns and trucks and three of these aircraft which the government apparently did not know about before nine o'clock yesterday morning. Then all the newspapers the next day tried to get at the truth of it. I have here the *Globe and Mail* of yesterday morning. There is a dispatch under the by-line of Dave McIntosh who had this to say on two separate occasions:

Canadian arms are being shipped to Turkey but none to Egypt, responsible officials indicated today.

The responsible officials obviously knew nothing of what was going on. Further on we find this:

But one senior authority, through whose department all foreign orders for military supplies normally go, said that after an exhaustive check he could find nothing to indicate that arms were being exported to Egypt.

No one knew anything about it. The Liberal curtain of silence was being brought down on everything, and the only character absent from the scene was Ananias. His soul must have rested in peace, for his blood brothers were evident in the whole picture. Twelve planes are still going to this area where conflagration is imminent, and the Prime Minister said he had no reason to cancel the export permit.

Well, perhaps the Prime Minister does not know what is going on, but I am certain the Secretary of State for External Affairs does. I am certain the Secretary of State for External Affairs knows that today Egypt is arming the enemies of one of our closest allies, namely France. Is there any guarantee that Canadian planes are not going to be given away by Egypt to shoot down French soldiers? I cannot see the French government, itself, being very happy about it.

Then yesterday I asked the minister if he could tell us whether or not gun mountings are on the planes and he answered, again not too accurately:

I shall try to secure that information, but I do not know how you could put a gun mounting on a Harvard training aircraft.

Well, Mr. Speaker, he was sitting next to his colleague the Minister of National Defence (Mr. Campney), and the Minister of National Defence has issued certain pictures; one showing a Harvard releasing a stream of rockets, one showing a Harvard carrying bombs and one showing a Harvard with machine guns mounted on its wings. Yet we are told these are just training planes, non-combat planes, civilian planes. There is no guarantee whatsoever from Egypt that these planes will be used in any way other than that for which Egypt wants to use them, which may be the attempted destruction of Israel.

I asked the Prime Minister last week, for his own sake as much as for any other reason, if he would try to let the right hand of the government know what the left hand of the government is doing. Apparently the right hon. gentleman was not interested. There has been nothing but fumbling and confusion in this whole sorry mess. The government comes out of it with very little credit—in view of the Prime Minister's answer to me today, with much discredit. The policy which

has been pursued at its best is dangerous and at its worst can be disastrous.

But what of the Middle East? The most obvious fact is that Russia is there and right in the middle of it. I am amazed at those who express amazement. We should have known that Russia was going to go in there. We should have known that Russia was prepared to probe every weak spot in the western armour. Russia has gone there because, as I said in the debate in 1948, one cannot appreciate Soviet ambitions unless one has a knowledge of czarist aspirations. There is no difference today between the foreign policy of the Soviet union and the foreign policy of czarist Russia in so far as expansion is concerned.

Last year I heard a well known United States diplomat say that conducting the game of diplomacy with the Russians was like playing a game of chess. I am not going to give that diplomat's name but he reminds me of a quotation from Disraeli:

> To call him notorious might be offensive; to call him distinguished would be to prostitute an epithet and whom I shall therefore sum up as being rather well known.

Had this well known United States diplomat known something about the game of chess then he should have foreseen what was going to happen; that the Russian knight would jump over the pawns of the northern tier and threaten us with mate in the Middle East.

Russia has not gone through the back door; she has gone through the front door. The situation is dangerous for all of us. Russia has shown that she will not be stopped by pacts, such as the Baghdad alliance, another example of the state department "pactomania", an alliance ostensibly against communism. We have been told in this house that these alliances against communism were open to all countries which do not like the communist way of life. The Baghdad treaty, of course, is not open; it is a closed shop. It is not open because Iraq insists that it be closed to one nation, the only democracy in the Middle East, namely the democracy of Israel. Now what has Iraq done? As soon as Britain assumed her as a partner in the cold war against communism, Iraq warned the big three that she would use the arms she received under the Baghdad treaty as she saw fit.

A military spokesman said, only a month or two ago, "Iraq's best brigade is ready to march against Israel, supplied by western arms". And only recently Iraq has insisted that unless she gets the most modern western arms she is going to turn to the Soviet union. Again we are being played off; again we are falling for the same old game. The Arab nations are obviously arming to the teeth, yet the British foreign office tells Israel it must not start an arms race.

There is a group in the British foreign office who seem to be passionate admirers of the Arabs. They are most self-righteous; they are clothed with impeccable correctitude; they give one the impression that they were sired by Jehovah out of the goddess of wisdom, but their policy has been little short of disastrous. The effect of playing up to Iraq in this way has been to antagonize Egypt, a country which legitimately has assumed leadership in the Middle East. Egypt has been by-passed and Iraq has been pandered to with all the consequences that will come from such action. We profess surprise that Egypt enters into a pact with the iron curtain nations to get arms, but there is no reason whatsoever for our surprise. Egypt told us some months ago, just last June, what she was going to do.

We have the cold war transferred to the Middle East, and I believe that Russia's intentions are absolutely clear. In 1947-48 the Soviet union supported Israel for one reason only, to get the United Kingdom out of Palestine. That having been achieved, the next step in Russian foreign policy is to get the west out of the Middle East as rapidly as possible, and so now it supports the Arabs. Russia does not want to get involved in a war in the Middle East, but Russia will not be too unhappy if as a result of her machinations and our stupidity Israel and the Arab states become involved in a war, because the west would be involved also and the only possible victor would be the Soviet union. If I am right in that diagnosis, and I believe I am, then the obvious way to block the Soviet union is to see that peace is maintained in the Middle East, and it is to that end that our diplomacy should be directed. We know what the Russians want; we know what they will do.

What about the western powers? What about the United States? I wish I knew what was United States policy in the Middle East. I wish the Americans knew what was their policy in the Middle East. We had a statement by Mr. Dulles last August which presented the skeleton of an agenda around which the nations could negotiate. Israel accepted that proposal as the basis for negotiation, but the Arabs as usual spurned it.

The real problem is what are British intentions in the Middle East. I have never been an admirer of the Middle East division of the British foreign office, as I think the minister well knows. It has a record of which it has no reason to be proud. I remember commenting on that situation in 1948, especially on British relations vis-à-vis the Arabs, and what

I said then is true today. I should like to quote from page 3550 of *Hansard* of May 3, 1948 what I said when we were dealing with the partitioning of Palestine:

> I say the British will find that the cost of Arab friendship has been expensive, for all their other attachments have been sacrificed. French interests and Jewish hopes have been laid on the altar of Arab intransigence, and the gift has been spurned. I do not profess to understand this pandering to feudal monarchs and the most reactionary and, indeed, treacherous interests in the Middle East.

I was discussing at that time the conduct of Egypt and Iraq during the war and I maintain that there has been no significant change in British policy. A particular section of the foreign office is still infatuated with the Arabs. It is afflicted with too many aspiring Lawrences. What is the record of Israel in this matter of negotiations with the Arabs? I am going to quote the London *Times*, which is not a friend of that country but which had this to say in an editorial:

> She has grasped every chance and created more to negotiate with Arabs apart from their governments. She has tried to lead Arab governments into negotiation at all levels.

I wish the Arabs had been as willing to negotiate. This same paper, the London *Times*, which not too infrequently mirrors changes in or actualities of British foreign policy, made its position abundantly clear. I think this may be the position of the foreign office, when the *Times*, commenting on Israel's desire for a treaty, said in its editorial of August 29:

> As things stand, such an alliance is impossible and such pressure futile . . . Alliance implies a high identity of interest and Britain's interest in the Middle East can be advanced now by alliance with the Arab states. They alone, however incompetent, unstable or unreliable, have the oil, occupy the territory and provide airfields in sufficient dispersion for the function they fulfil.

Perhaps that was a case of coming events casting their shadows before them, but I should like to ask the editor of that paper: Should our security be based on alliances which a few pieces of gold will upset? Has there been a record other than that in the history of the Middle East, with the exception of that one democratic country of which I speak? The Arabs have the oil. Russia probably needs that oil if she has war in mind. The United Kingdom needs that oil today because she gets from it dollars and the currencies of other countries by selling it on the markets of the world.

The story of oil is a dirty and filthy story, a story of crookedness, corruption, and rottenness. It is not much different today from what it was in the past. We should realize that as a result of oil those two allies, the United Kingdom and the United States, have almost been at war with each other in the Middle East. In fact their pawns have been shooting at each other. I refer to the incident that occurred in the fall of last year when the troops of the sultan of Muscat supported by Trucial Oman levies with British officers clashed with Saudi Arabian military units. Saudi Arabia is backed by the Arab-American oil company, the sultan by the British foreign office, and both of them were fighting for oil in the Middle East.

There is nothing that could be more fatal than such results of avowed policies. I have talked about these oil companies before in this house and pointed out in 1948 how Aramco had made profits of $170 million on a capitalization of $1 million within a few years. Last year it paid King Saud more than $250 million in royalties, but not one cent of that money was used to improve the conditions of the people in that area. Instead Saud finds himself still helplessly poor, since he has to bribe and pay his way out of so much trouble and extravagance. Where does the money come from? A most revealing document entitled "The Price of Oil in Western Europe" was published by the United Nations. It shows where the money comes from. I quote:

> Total payments in respect of taxes and royalties by Aramco to the government of Saudi Arabia amounted in 1952 to $212 million. Since, under the existing agreement, such payments represent 50 per cent of the net profits realized on crude oil production, net profits must have been in the neighbourhood of $425 million, on a total production in that year of 300 million barrels. In other words, with crude oil selling at $1.75 per barrel, a net profit in the neighbourhood of $1.40 per barrel was being earned.

Who is being held up in this process? We have an international cartel which decides what the price of oil shall be. They are the ones who are making the money; they are the ones who have a great interest in that area; they are the ones who will sacrifice honour and everything else as long as their profit situation is kept sacred. I am not saying that the oil industry is a monopoly, but I think it fulfils Stuart Chase's definition of an oligopoly.

What about the speech which Sir Anthony Eden made on November 10 last in the Guildhall. He said:

> It is not right that United Nations resolutions should be ignored.

I welcomed that statement, and I am sure it will be welcomed by every hon. member of this house. United Nations resolutions should not be ignored. But this was a change in United Kingdom policy. They ignored these resolutions dealing with Palestine when it suited their particular purpose. The Arab nations not only ignored them but they destroyed them, as they would have destroyed

Israel had they been able to get away with it. I remind the house again that on the morning of May 15, 1948, the day the state of Israel was created, Arab legions were invading that area. War was declared by the Arab nations. They have not given any sign since that there is anything less than a state of war prevailing in that area.

One of the things which I think is implicit in Sir Anthony's speech is that Britain would be willing to act as a mediator if both sides would agree to come to terms and give up certain territory. This matter of giving up territory is of great importance. The Secretary of State for External Affairs made a speech in 1948. It is out of date, and I do not say that he holds the same views today, but I am quoting it because I want to know what he thinks now about this matter. Speaking in the United Nations assembly in November, 1948, he said in part:

> On the other hand . . . the Jewish community should realize that it cannot have it both ways—it cannot have all the territory that was given it by the November 29 resolution, together with all the additional territory which it has been able to take by force of arms.

One of the questions I want to ask the minister is this: Is that still his position and the position of the government, or have intervening incidents compelled a change of mind? I hope they have. Let us consider this matter of Israel having to give up territory to appease the Arabs. What territory did Lebanon lose in the war of liberation? Her borders are practically the same. What territory did Syria lose in the war of liberation? Her territories are practically the same. Did Jordan lose any territory? No; on the contrary, in 1950 Jordan assumed responsibility for a large portion of what had been Palestinian territory. I have never heard any suggestion from the British foreign office or other countries that Jordan give up any territory.

What about Egypt? Egypt lost no territory; she gained some. She gained an area she would perhaps like today to get rid of; she gained the Gaza strip. Has it ever been submitted that Egypt should give up territory? But Israel has to accede to truncation in the sacred name of getting together and perhaps achieving peace.

Furthermore, there was never any United Nations resolution to the effect that the Arab states should profit out of their defiance of the United Nations. But those who advocate today that Israel, for the sake of peace, should give up territory which is vital to her, are advocating a reward for aggression; they are advocating a requital for Arab intransigence. I do not blame the government of Israel for not seeing eye to eye with the western powers in this matter.

[Mr. Stewart (Winnipeg North).]

In any event, let us assume that territory was given up. Is there any guarantee the Arabs would be satisfied with a truncated Israel? Everything they have said points to their insistence that Israel must be destroyed. Are we to gain anything whatever by appeasing the Arabs? Perhaps there may be two different points of views, but my point of view is that we have nothing whatsoever to gain.

It has been suggested that perhaps Israel might give up part of the southern Negev. That was a British expression of opinion. Why? Because Egypt wants to inherit more desert, or because the United Kingdom wants to have some means of communication between Aqaba, which is at the head of the Red sea, and her stations near the Suez? I should like to know what is behind many of these demands that Israel give up territory that was taken from nobody, which really was the territory of a state that had died stillborn, the Arab part of what was to be Palestine. Had that land belonged to other countries there might be some justification. It has not; therefore I cannot see why Israel ought to give it up.

Before I leave this matter, let me say that I believe there have to be rectifications of frontiers; villages have to be joined together and lines have to be straightened out. But there would be no sense in our insisting that Israel give up territory which, as I have said, is completely necessary for her future and her welfare.

The other vexing question is, of course, that of refugees. There are approximately 900,000 refugees in Arab countries around Israel, living in desperate poverty and misery. I myself cannot claim to have seen these camps, but I know others who have. I would feel happier were I convinced that the Arab nations were doing something to help these unfortunate refugees. There is a refugee camp in Jordan which one must pass when travelling from Jerusalem to Bethlehem. That camp is there for a deliberate purpose, so that every pilgrim to that area shall see the suffering of these Arab refugees, the idea being to instigate more dislike for the state of Israel which it adjoins. The refugees are being used by the Arab nations today as pawns in the game of power politics.

Lists of refugees have been padded. The United Nations pays out some $2.50 a month per capita to feed these unfortunate people, but the lists are padded. I am told it was reported last year that out of 900,000 refugees, only 400 died. The comparable death rate in this country, which is infinitely better off than the refugee camps, would be 8,000.

I should like to know where that money is really going. For eight years these refugees have been indoctrinated with hatred for the state of Israel. Now it is suggested that Israel should take them back. Obviously that is absurd. A few years ago Israel offered to take back 100,000. The offer again was spurned. However, in the interim many have been going back; probably some 60,000 or 70,000 families have been reunited, parents reunited with their children and husbands with wives. They have been coming back and living on exactly the same basis as any other citizens of Israel. But to expect Israel to take back a massive number of Arab refugees, who have been taught to hate Israel and to try to destroy it, is asking more than any modern state would be prepared to accede to.

Canada has a part to play here. We have, as a servant of the United Nations in the Middle East, General Burns, a man whose judgments are not always liked but a man who has the respect of the people there because they know he is a man of integrity. Because they respect him, they respect Canada. Canada is a nation without any imperialistic ambitions. Why, then, cannot Canada play a more significant part than it has in the past?

We speak a good deal about assuming the obligations which are ours under the United Nations charter. One of our obligations is to do everything in our power to see that war does not break out. Therefore I believe that Canada can do much more than it has done. Mr. Hammarskjold is now in the Middle East trying to bring Israelis and Arabs together. He may fail. If he fails, then another attempt must be made. Egypt is the linchpin of the whole business and it is Egypt which must be persuaded.

If we are to establish peace in that region, however, there will have to be a massive scheme of social rehabilitation. Such a scheme will be fantastically expensive; but if peace is the result I say it is worth it. Where are we going to obtain the money? We already know something of the profits of the oil companies in that area. We already know these oil companies are prepared to sacrifice national interests as long as their own interests are maintained.

I suggest it is worth considering that the United States, the United Kingdom, the Netherlands and France nationalize or socialize—call it what you like—these oil companies. Let them reimburse their nationals with securities of the state. Let them approach the Arab states and say, "We are prepared to give you a half interest in these oil companies and, further, we are prepared to give the profits which accrue from the development of oil in this area to a fund under the United Nations which will be used exclusively to rehabilitate the Middle East."

I can hear people say, "It is absurd, it is fantastic, we cannot do it." I say it has to be done or we will lose everything. How long is Saudi Arabia going to be prepared to sit back and get 50 per cent of the pie when she can get 100 per cent whenever she wants to? How long are these oil companies going to be safe from Arab determination to get more than they are already getting? The Arabs will take over these companies when they wish to do so.

I have been told the Arabs would face the great difficulty of having no technicians. Let us not be naïve. They can get all the technicians they want today from Moscow, and with them, these oil fields will be run. Do not let these oil corporations have any illusions as to what their future is in that area. They are in danger. They are in jeopardy. That is why, of course, they buy off the powers that be with such huge sums of money as we know are given to the king of Saudi Arabia.

But suppose after every step has been taken which could lead to peace the Arabs are still intransigent. What happens then? Here is a problem which has to be faced. There is only one thing the west can do. Along with the offer of rehabilitation, peace must be imposed in the Middle East by the United Nations, and peace on the basis of the existing armistice lines with certain emendations. I see no other solution, because if war breaks out there then we will lose everything. Israel is prepared to negotiate. The Arabs are not. Somehow they have to be brought together. That is the responsibility of diplomacy and the minister has to play a part in that.

It is not a task we can afford to shirk. It is a task that we have to try to accomplish. I am convinced that the great powers of this world will sacrifice Israel if they believe that country jeopardizes their own national interests. It is no cliché to say that Israel is a bastion of democracy. It is true. I have seen it at work. It is democracy, and to sacrifice that nation now leaves me at a loss for words to describe such a policy. We in Canada have played an honourable part in the creation of Israel. We can still play an honourable part, but in doing so we have to assume greater responsibilities than those we have had in the past.

Mr. Charles Henry (Rosedale): Mr. Speaker, it is a pleasure to say a few words in this debate on the reply to the speech from the

throne. The speech has set out adequately the state of Canada as we see it today, and I have no difficulty at all in agreeing with the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the motion for concurrence. I find that there is confidence in the government, and I say this because in a few words I find that the speech satisfies me that the twentieth century still belongs to Canada.

I think there is historic significance in that we have had the motion which we are considering moved by the hon. member for Timiskaming (Mrs. Shipley). She is one of the distinguished women and mothers of Canada, and it is historic to think that in the year when parliament will adopt a measure providing for equal pay for women, one of the distinguished women and mothers of Canada has entered this debate in this way. In addition, however, I wish to point out that the mover of the motion is a voice from the frontiers of northern Canada, this land of frontiers, a very significant thing at this time in our history.

As for the seconder of the motion, the hon. member for Bellechasse (Mr. Laflamme), it is a tribute to the Canadianism of our French speaking compatriots that he should take part in this debate, remembering that it was Laurier who proclaimed that the twentieth century would belong to Canada. It gives us a renewal of this spirit of the frontier in this debate to think that the hon. member for Bellechasse has seconded the motion.

We must not forget that under Laurier our frontiers were extended westward, and that under the Right Hon. William Lyon Mackenzie King the gains which we made were consolidated, he being the father of our social security system. We remember, therefore, that we are born to the spirit of the frontier, which gives rise to private initiative, private property and a feeling of political as well as economic democracy amongst us.

Under the present Prime Minister (Mr. St. Laurent) this spirit of adventure still persists. This spirit of adventure has carried us into the United Nations, NATO, and into the parliamentary councils of the world. This Canadian spirit of the frontier has been projected abroad. But we must remember also that within the lifetime of this parliament the Minister of Northern Affairs and National Resources (Mr. Lesage), a follower of Jacques Cartier, extended the boundaries of Canada to the north and now Canada has sovereignty extending to the Queen Elizabeth islands. As I see it, he did this not only for the queen of Canada and all Canadians, but for Her Majesty as queen of the commonwealth. He did it also on behalf of our NATO partners, because this extension of our frontiers to the north is indeed a very important shield for NATO and for all the free world.

In considering the extension of Canada's political sovereignty we must also compare the extension of Canada's economic sovereignty. Indeed, these should be kept abreast and equal. Balance is an important thing for the development of our nation. Therefore the first problem of an economic nature which I should like to discuss is the question of foreign investment in Canada. There have been estimates made on the other side of the house ranging between 30 and 40 per cent in this field. However, I would point out that there is no great measure of agreement amongst economists on this point, and that it is a matter which should engage our consideration. One eminent Dutch economist in writing about the economic future of Canada has pointed out that post-war investment within Canada from outside Canada may be limited to the figure of 15 per cent. It will be important for the Gordon commission to consider this matter and to give a studied report on the subject.

On the question of foreign investment I think it is important to remember, however, that in the early days of the development of the United States there was heavy reliance on foreign investment, and a great piece of work was done there with the use of foreign capital for its development. We must remember also that there are projects of development under way in Canada today which are of such size that the question of foreign investment becomes almost a must.

There is the development of Labrador iron. It is beyond my comprehension how we could have developed that great project if there had not been reliance on foreign investment. In addition, it must also be remembered that when other countries bring their capital here for investment it is a tribute to Canada. Not only that, but when we use these foreign funds it frees much needed risk and equity capital within Canada for other domestic advances in our economy.

The next problem about which I wish to speak is that of providing a balanced share of the national income for those on fixed incomes. In this group, as we know, are included those who procure their income from investments and the group of senior citizens and others who are on pensions. I say the Gordon commission can do much for us if it will compare our standard of living with that of the United States, and our system of taxation as well as of social security, with those of our neighbour to the south.

Our standard of living is second to that of the United States, probably less by 20 or 25 per cent in the level of development. However, I trust that the Gordon commission can give us light on the subject. There is also for consideration the question of tax relief for those on investment income and, in addition, progressive increases in social security payments under our system for those receiving them.

The greatest social security measure yet unimplemented by this government and the provinces, of course, is health insurance. I think it is a tribute to the Prime Minister and the government, that we see an atmosphere prevailing as between the government and the provinces which, to say the least, is one of co-operation in the field of dominion-provincial relations. Let us hope that the committee at present studying health insurance will bring forward a solution for this problem, and that before long we may see, as between the provinces and the dominion legislation which may lead the way to this great social measure.

I wish to consider next the future intervention of government in the economy and in business. In my view the policy of the government is sound in that public ownership is relied upon as the exception rather than the rule. The government has shown a clear indication of relying upon direction of the economy on its part, and leaving control for the most part to private enterprise. Using an analogy to the weather, I believe it is the function of government to provide a good climate but not to control the raindrops.

Under this thinking, private enterprise should be given the first chance to develop our assets in every case. But private enterprise may fail. There are certain cases where it will not and cannot carry on a development, and in those circumstances public intervention on the part of the government is warranted and indeed desirable. The common good must prevail, and where things are needed it is insufficient reason to say that private enterprise cannot provide them.

There is the problem, however, of balance in the economy generally. I speak of balance as between the primary, secondary and tertiary industries of our country. The balance to date, in the development of our country in the post-war period, has been very good. We have come through a hot war and a cold war, and now we are in a period of what some call the cold peace. The record for 1955 is encouraging. The books have been closed in effect and we have a record of prosperity that is very good.

However, we have some agricultural surpluses which are a matter of concern to all of us in this chamber and to Canadians generally. It has been encouraging to note the report of the Minister of Trade and Commerce, in which he said that last year grain was marketed in the west which was the equivalent of an average crop, and that he thought the surpluses were temporary. In so far as city dwellers are concerned, there has been a substantial net gain in wages for labour estimated to be 7 per cent. This is an encouraging thing for Canadians at this time as we enter upon the year 1956.

In particular, the Gordon commission will take into consideration an assessment of the future, as well as plans for expansion in relation to our resource industries. I trust that we shall obtain guidance from the application of that famous United States commission which prepared the Paley report. As we know, this was a commission set up by the President of the United States to advise upon resource materials. Decision must be made as to the precise extent of its application to Canada and in particular as to the timing of the terms of the report to Canada.

In this particular period I think we have something to learn as to how much of our resource development has been due to Korean rearming, stockpiling for NATO and such things as political instability abroad. There are certain findings of the Paley report which should be studied carefully, too.

The report says in effect that domestic takings on the part of the United States in the past several years have now reached proportions which are greater than the known reserves in the fields of copper, lead, zinc and oil. In addition to this fact, the Paley report points out in another section that as of 1950 the United States was forced to import 10 per cent of its petroleum, one-third of its copper and zinc, and one-half of its lead. All those items were formerly exported by the United States. Finally the report projects this thought. In 1975 all materials on the part of the United States will be 50 per cent to 60 per cent higher in demand than as of 1950. All minerals except gold will be 90 per cent higher in demand than in 1950. Finally, as to certain mineral commodities, the demand will be even greater than the percentages and figures I have mentioned.

Obviously the Gordon commission will turn its eyes upon central Canada, that is Ontario and Quebec. An economist writing today about Canada tells us that it is the industrial heartland of North America and is destined to become the industrial heartland of the free

world. I am referring now to that part of Canada which fronts on the United States and runs along the St. Lawrence river and the southern great lakes. Here you have an area which competent economists estimate as giving production which is greater than that of the whole of Europe minus Russia. This indeed is a tremendous record, but in this thermonuclear age I would think we in Canada should start to think about the implications involved in terms of the centralization of industry in this area.

I think it is a matter of urgent necessity at this time for the government, on the advice of the Gordon commission, to give thought to the expansion of primary and secondary industry elsewhere throughout Canada, bearing in mind this tremendous concentration in central Canada. Indeed, I think consideration should be given to decentralization of government records and certain functions which are centralized in this area. It is a matter of concern for provincial governments and the federal government as to planning and development of the decentralization in relation to government records and government functions. In this field I think there is a role for bar associations, business associations, trade associations and learned societies, and I think that they should be the right arm of government in planning this decentralization which I believe is needed in the circumstances. It is to be noted that in the United Kingdom these professional and business organizations play a role in this respect. All this is said, of course, because within our time in the immediate decade ahead this particular area will be the "workshop" and the "arsenal of democracy".

As to the resource industries in the other parts of Canada, let me remind hon. members about the lead and zinc which have been found recently in the Yukon and in New Brunswick and the nickel and copper found also in the Yukon, but again in Manitoba; and finally of the iron deposits not only in Labrador but in Newfoundland and in a place near here, namely Renfrew county. In the light of the Paley report I think these great resources are a challenge to the imagination of all Canadians for the development of industry throughout the whole nation.

I wish to pay a tribute in this house to Canada's newest and most unique province, namely Newfoundland. Here is one which has set a record as to the true frontier spirit for all Canadians to see. We have heard of Brinco, a crown corporation under the direction of the provincial government in that great province. Brinco has done much to bring outside capital to Newfoundland. Indeed, primary and secondary industries are being developed at a surprisingly successful pace in that province at the very moment. Premier Smallwood has proved himself to be quite a private enterpriser not only within Newfoundland but also in the capitals of the world. He has investigated his great supply of primary resources and has done great things. We heard him speak at the dominion-provincial conference. Indeed, it will not be his fault if Newfoundland does not develop. Of one thing we are certain. He was correct when he said he had no intention of remaining idle and leaving his province to be a game preserve or a tourist attraction.

We think the great resources of that province will not be long in making themselves felt in markets at home and abroad. Of course he has an able assistant here in the person of the Minister of Citizenship and Immigration (Mr. Pickersgill), who makes an able advocate at the "nerve centre", Ottawa. Their combined efforts should indeed see to the welfare of that province.

As to the agricultural problem on the prairies and the surpluses, I do think it is important that in June next there will be a census of the people of Canada. This will give to the government and the Gordon commission up to date figures indicating how many Canadians are on the farms and in the cities. At present we have the 1950 figures, and at that time 13 per cent of the working force would appear to have been on the farms of Canada. Economists estimate that we can employ as many as 20 per cent on the farms, but there is a difference of opinion amongst economists on this matter. I feel that in the light of the census figures which we will obtain in June, a very important study will be forthcoming from the Gordon commission on this subject. I, for one, will look forward to reading it.

In conclusion, I wish to say that the speech from the throne has shown that this government is alert to the financial advances which are important for Canada if it is to have a balanced capital expansion. I have read the speech with care, and I see that for short-term credit there is to be a revision of the Small Loans Act. I presume this will make small loan credit more readily obtainable by consumers throughout the country, which is a good thing. I note that in the long-term credit field there is to be an extension of the National Housing Act provisions concerning the redevelopment of the blighted areas in the cities. This has always been an important matter for me, because I represent the riding of Toronto-Rosedale.

I think that if the government sees fit to diversify the nature of the amendment to the extent that commercial properties may be included in the financial arrangements

under the Central Mortgage and Housing Corporation, it will be a good thing. We would have the commercial development of properties which are blighted and in need of redevelopment in such areas. I know that it would be most welcome in Toronto because the daily press, particularly the *Telegram*, has been very active in advocating just such a redevelopment. In fact I believe this newspaper has had much to do with the sharpening of public opinion on the subject at this time. I visualize that there will come to a metropolis like Toronto great advances in commercial assessment and increased tax income as a result. I understand the mayor and board of control are looking for new income, and this should please them very much.

In addition to this, I wish to commend the Minister of Finance for the consideration he has given the taxation of crown-owned property in Toronto. I would remind him that in Great Britain all crown properties in cities comparable to Toronto are taxable by the municipal authorities notwithstanding that they are crown-owned. This should be a firm precedent. I hope the time is not long until we shall see taxes paid on those properties in order to enable our large municipalities to better discharge their financial obligations.

I welcome also the farm improvement legislation and the home improvement legislation. These are matters which will help Canada to expand. I do not think there is any industry which can better help to solve unemployment than the construction industry. This industry is active now throughout the whole year and is the answer to a very large extent to the regional and seasonal aspect of unemployment in Canada.

Finally I wish to speak about the industrial development bank and the legislation proposed by the government in this regard. There always has been in Canada, as indeed there has been in the United States, a shortage of equity capital to advance industrial expansion. Our banks have been limited in this respect by their charters. There has been a shortage of loan companies, a shortage of investment trusts, and indeed a shortage of building societies as we know them in the United Kingdom. This has meant that we have had trouble with our housing, both private and public.

One result of this was government intervention in requesting our chartered banks to take upon themselves the duty of mortgage financing. However this, tied in with the public housing provisions of the National Housing Act, has worked well and has produced municipal and public housing corporations. Good results have been achieved to date, but we hope that with the amendments now proposed there will be an expansion not only in the field of private ownership but in the public housing field.

I feel that this industrial development bank legislation could be used to good effect in the commercial field, perhaps combined with the National Housing Act amendments. I hope to see an upsurge of the frontier spirit, an upsurge of private initiative in Canada, in this commercial redevelopment of our smaller cities outside the metropolitan areas, and indeed in our towns. I hope to see municipal industrial commissions established, which would be building societies. They would go forward with the matter of establishing factories for our workers in the primary and secondary fields. Equity funds could be provided, and mortgage funds could be provided also. They would build factories and long-term leases could be provided to attract industries to the smaller centres of Canada. This would give us a decentralized expansion of primary and secondary industry, which could be of great advantage to Canada in the future.

My final words are these, Mr. Speaker. Canada is the golden hinge between the United Kingdom and the United States, a dominant world trading power and a political figure in the world of nations. Let us have a balanced economy between farm and city, between our primary and our other industries. Let us watch to see that in expanding production we have markets to sell the products being produced. Above all, in watching the balance of the economy let us watch inflation. I do not fear inflation, because I believe this government has experimented sufficiently and satisfied itself as to the best monetary and fiscal ways of avoiding inflation.

I say it is no magic new law of control of our affairs that I am advocating. I am advocating vigilance at home and abroad; in NATO and the United Nations. I am advocating brotherhood, an old fashioned doctrine. Then I am advocating prudence in monetary, fiscal and commercial matters. I say there is a framework of combined private and public enterprise in Canada which has proven successful since confederation, and within this framework if everybody cares enough, if everybody shares enough, then everybody has enough.

Mr. G. W. McLeod (Okanagan-Revelstoke): In rising to take part in this debate for a few minutes I would say that I have found it rather difficult to become greatly interested in the speech from the throne. In this I believe I am not much different from the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. However, those two speakers

were very enthusiastic about the ridings from which they come. I do like to see a member who is proud of his riding, and those two speakers certainly have shown pride in the parts of Canada which they so ably represent in this house.

During the last few months of 1955 I believe the people of Canada followed with interest the work of the Canadian delegation at the United Nations. I should like to commend our entire delegation under the able leadership of the Minister of National Health and Welfare for the prestige which they brought to this country during the deliberations which took place there.

Since coming to this house, Mr. Speaker, I have had a perennial problem, but during the past year the Minister of Public Works has relieved me of this. I am thinking of the new federal building at Vernon. This has now reached the stage where test holes have been sunk to test the foundation on which the building will be built, and we now assume that work will be started at an early date, so I am writing this off as one of my problems.

During the recess the Minister of Agriculture paid a visit to my riding. I sincerely regret that previous commitments had made it impossible for me to be present at the convention of the British Columbia confederation of agriculture the day he was there. However, the minister did perform various ceremonies and received delegations that I had arranged for, and he handled these with his usual good grace. I should like him to know that we appreciated his visit and would ask him for a repeat performance when I could possibly be a better host.

Naturally, since Vernon is the centre of the second largest and the best butter producing area in British Columbia, the minister became involved in the butter situation that we have heard so much about recently. I must say he slid out of this situation with better grace than might have been expected under such slippery conditions.

Now, Mr. Speaker, I am not going to take the time of the house in talking about wheat and butter, but I am going to say this. We can talk about our farm surpluses and criticize the wheat board, the Minister of Trade and Commerce and Minister of Agriculture from now till doomsday and get nowhere. The challenge that faces us today is to work out monetary techniques by which those who need our products—and the need exists for all that we can produce—will be financially able to purchase the goods which we produce in such abundance. To this end we should and must devote our best energies.

In the debate the hon. member for Macleod (Mr. Hansell) has stated the financial policy of this group, and he has indicated the means for providing the purchasing power necessary to move all these so-called surpluses into the hands of the consumers. The hon. member for Lethbridge (Mr. Blackmore) has expressed our policy for placing purchasing power in the hands of our wheat growers in respect of grain they cannot sell and must keep on their farms. The hon. member for Acadia (Mr. Quelch) will deal in his usual clear and constructive manner with the two-price system, which will allow us to dispose of our surpluses in the trade channels of the world without severe hardship on our products. All I need say is that I endorse these sound policies.

Here, Mr. Speaker, I must congratulate our C.C.F. friends for becoming so enthusiastic about the two-price system that has been advocated by Social Crediters for years. I must also congratulate them for finally acknowledging the necessity of accepting the pound sterling and other foreign currencies in settlement of our sales in foreign markets. When we recall that these same members voted against our amendment calling for this action last year, it is certainly quite a change of heart.

There is just one more thing about surpluses. I would like to notify the Minister of Trade and Commerce that when he was speaking in this debate on January 16, he made a remark to which I took exception. On page 125 of *Hansard* he was telling about what would happen had we had a dry year in 1955 instead of a wet, successful crop year. He said, and these are his words:

> If we had had a very dry spring and a very dry early summer, instead of a very wet spring and a very wet early summer, we would have had no surplus of either wheat or butter. We would have been about on balance in wheat, and butter would have been in short supply. The Conservatives, the C.C.F.'s and the Social Crediters would have said this is wonderful—

Now, Mr. Speaker, I do not believe that Social Crediters have ever felt that an abundance of produce is a calamity, and I do not like to be grouped with those who figure that this surplus which we have at the present time is a problem and a calamity. In fact I will go so far as to say that at the present time we do not have any true surpluses, that you cannot have surpluses so long as there is need in the world for goods which we have in such abundance. I maintain that the problem is not a problem of surpluses but a problem of distributing goods to those who are so sorely in need; and I am sure that if the policies that have been advocated were adopted by this government, then our surpluses would soon disappear. No; we do not fear abundance, for we have the answer in policies which are geared to solve the problem that we

know exists today. The problem is distribution, and not a problem of overproduction.

Now let us talk about Okanagan-Revelstoke, the finest part of the finest province of Canada. Here, Mr. Speaker, I have a report that has been compiled by the economics division of the Department of Agriculture in Ottawa, dealing with soil and agricultural conditions in the north Okanagan. It is a very able report and contains a lot of useful information. It was compiled by three very smart young fellows whom I had the pleasure to meet previously when they were working in that part of our province. In this report the conclusion is that we have in that area a tract of land that is perfectly well suited to the dairy industry, and it is recommended that this is the type of agriculture that should be carried on in the area.

In the Okanagan-Revelstoke area, Mr. Speaker, we have a very diversified production. The southern part is mainly a fruit growing district. Cherries and soft fruits are produced in abundance. Vernon has the largest McIntosh apple orchards in the British empire. Scattered throughout the whole riding are stock ranches that have captured prizes all the way from the Canadian national exhibition in Toronto to the Pacific coast.

However, our main agricultural industry is dairying. We have the second largest milk handling company in the province and the only two cheese factories west of the Rocky mountains. In the past few years these two companies have increased their production from nil until last year it was about 800,000 pounds. What cream is left from the surplus of fluid milk after supplying the Okanagan, Revelstoke and Kamloops areas is turned into butter, yet one of our creameries imports 300,000 pounds of butter from Alberta each year to satisfy the demand.

We have no butter surplus. Our problem is to build up our dairy production to meet our own needs. The demand has increased in one year by 22 per cent, but our milk production has increased only 8 per cent. Our problem is one of scarcity, not surplus.

The federal Department of Agriculture is doing a lot of good work for our dairymen, but we need technical and experimental services in order that our farmers may produce more feed on their small farms to support a larger number of dairy cattle. I am glad to say that the Minister of Agriculture and his officials are sympathetic to the need which they know exists, and I look forward to the not too far distant day when we shall have a demonstration farm in that area under federal supervision to help our farmers better help themselves.

I could not rest unless I said something about power. We have one of the finest power sites that could be developed in British Columbia at Mica creek in the Columbia river basin. Last year we heard a lot about this, possibly too much, but today we hear nothing. A year ago we had reason to believe that the dam at Mica creek would be at least in the planning stage this year.

We want power in the interior of British Columbia, for we know that industry follows power. We want to share in the wonderful industrial development that is taking place in our province. In order to do this we must have action by this government toward the settlement of the whole problem of the Columbia river development. I would urge speed in gathering United States, British Columbia and federal authorities around the conference table so we can get on with the job of development which will mean so much to the economy of the interior of British Columbia.

I was particularly interested in the words of the hon. member for Rosetown-Biggar in the speech he made following that of the Prime Minister in this debate. The hon. member was referring to the development of our natural resources, and in referring to the Prime Minister he said, as reported on page 54 of *Hansard* of January 12:

> I was glad to hear him say that because I believe the time has come when that should be undertaken; when through a public investment board, perhaps with a public investment authority, the savings of our people might be directed into desirable channels, that we might plan and use our resources in a planned way for the benefit of all our people, even if it requires—

I should like you to pay attention to this.

> —as I think it will, the extension of public ownership and socialization in this country.

I was rather surprised to hear those words from the hon. member for Rosetown-Biggar, because I had always thought that the matter of public ownership was first in his mind, but he is now asking that our resources be developed even if it requires national ownership. Our greatest resource in British Columbia is power. Being a good Social Crediter I can well endorse those words, because we believe that where private enterprise fails to provide the necessary facilities demanded by our citizens it then becomes the duty of the government to do so. In accepting the words of the hon. member for Rosetown-Biggar I do not want hon. members to jump to the conclusion that I have become a socialist.

In closing there is one little problem I should like to draw to the attention of the

Minister of Public Works, as I believe it comes under his department. The great Columbia river, which is a wonderful source of power, is also a great source of trouble. This river flows through the heart of my riding from Revelstoke into the Arrow lakes. In that small mileage there is considerable erosion; in fact, at the little town of Arrowhead which is located at the mouth of the river the rate of erosion is so high that it will be a matter of a few years only before the entire townsite has disappeared.

This is certainly something that is worthy of attention, because in that part of the country sites for the mills and industries which we hope to see there when Mica creek is developed are at a premium, and it is necessary that all local sites should be preserved. This is something which I will be taking up with the minister, and I am sure we will get satisfaction.

In closing I can only reiterate that we are not greatly concerned about these surpluses, as we know we have policies which will provide a cure. We urge this government to give serious consideration to them, and we urge the opposition to just forget about this criticism and harping at officials who they believe are not doing a good job, and get down to the actual problem of finding a solution.

Mr. John Pallett (Peel): Mr. Speaker, I wish to add my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. At this time I wish to avail myself of the opportunity of speaking about a matter which affects the whole population of Canada, and which will have an increasing influence upon their lives and our standard of living. The increase or decrease in our standard of living is influenced directly by the subject matter I intend to deal with today, and I refer to education and the relationship thereto of the federal government.

No one needs to be told that when the educational systems were first established in this country they were created at a time when the population was sparse and the day to day requirements small. There was an extremely keen local interest in all such matters. Nor do hon. members need to be told that the standards of education and living were met if the student was instructed in reading, writing and spelling, with a little arithmetic thrown in for good measure.

Since those systems were instituted there has been some considerable change. First of all there has been a change in the schoolhouse. Many a tale is told of the old log schoolhouse, built by the labour contributed by the individuals of the community and from material supplied by those same individuals. This schoolhouse has now evolved to a brick and mortar building. Society does not now contribute through individuals putting up so much material and offering so much labour; rather it contributes in the way of money for the construction of classrooms, which now cost between $15,000 and $25,000 each.

Originally students were trained for life in the community itself; today that type of education is not sufficient. You have to train your children so they may go anywhere in this great country of ours and fit in and be part not only of the community, but of the whole country. To that end the three R's were found to be lacking. Our educationists added first of all geography, history and physiology and, more recently, industrial arts, home economics, art, music, shopwork and vocational training.

When the little log schoolhouse was operating there was not much equipment in it, and not much maintenance was required. In many parts of the country the student who used to go down to fire the stove early in the morning is now a thing of the past, and a full scale janitor staff is employed. Now we find that the necessary equipment and the maintenance of that equipment are increasing the actual costs of producing the end result.

Then we find that everything else in the educational system seems to have changed and improved, taking advantage of new methods; but the means of financing these changes has stayed in the old rut. Rather than increasing means of financing, there have been decreasing means. At one time means were available to most municipalities—and some municipalities did in fact use them—of levying on personal and corporate incomes to assist them. However, through various agreements, the beneficiary of which was the federal government, this right was lost to the municipalities. So while the educational system has expanded, the tax base for paying for it has contracted.

In the early days farming and lumbering were the basic industries, and it was rather easy to determine the wealth of the person by the extent of his real estate holdings. Today such is not the case. There is much wealth hidden in personal property as well as real property. No one would suggest that the people who own the nice new homes that are being built in the country fall into the class of wealthy people. So there is no way of saying that the man who has real estate is the wealthy man to be assessed the extra costs of the educational system. These new

homes do not produce income; they are merely means of shelter for a man, his wife and his family.

In other matters this was recognized when the first income tax act was passed many years ago. It was felt then that the basis of taxation should be broadened and a system of taxation introduced that would be more productive and fairer. But not so in educational matters, the taxation was left to the community level. The tax load was left on the individual home owner's shoulders. At one time the responsibility for education was the community's. Today society generally has that responsibility. I would suggest that this government must recognize that and take such steps as may be necessary to correct the situation.

As I have said previously, there is much self-satisfaction on the part of the members who sit on the government benches and boast of a balanced budget. It is very easy to balance a budget for one set of books and at the same time allow a very large deficit on another set. In the provinces across the country, according to the Canada Year Book for 1954, which is issued by the dominion bureau of statistics, the debt of municipal and school corporations, by province, is indicated as follows:

	$
Newfoundland	4,001,573
Prince Edward Island	3,460,954
Nova Scotia	47,193,229
New Brunswick	47,195,303
Quebec	556,574,459
Ontario	550,036,933
Manitoba	78,455,750
Saskatchewan	47,081,265

These figures are given for the year ended 1951. In the Canada Year Book for 1955, printed under the same authority, we find that these figures have increased. The figures as given there are:

Province	Amount
Newfoundland	$ 4,507,659
Prince Edward Island	3,971,538
Nova Scotia	53,158,467
New Brunswick	54,149,465
Quebec	628,506,882
Ontario	627,230,109
Manitoba	78,298,733
Saskatchewan	50,328,148
Alberta	145,068,719
British Columbia	186,679,221

In the same volume we find figures showing the total of municipal debts. In 1950 the amount was $1,323,383,268. In 1951 there was an increase of just under $300 million, bringing the figure up to $1,606,609,259. Then we come to 1952, when there was another increase of $225 million, bringing the amount to $1,831,898,941. In the same volume we find that the amounts collected by the municipalities in each of these years also increased.

What trick is there in balancing a budget at the federal level when the obligations of the Canadian people at another level are permitted to increase, according to the last statistics available, at the rate of $225 million a year plus the carrying charges? The tax load you are asking the home owner to pay is being consistently increased. People are encouraged to buy homes so they will have a permanent stake in Canada. Yet in many instances you seek to drive them out of their homes by failing to provide the tax remedy that is required.

The figures will show that the great bulk of the increase in the municipal debt of the country is on account of education. It is said that education is a provincial matter, and I agree. You may say, "Why do the provinces not increase their grants?" I suggest that the history of taxation in the last few years has been such that the provinces have been deprived of their proportionate share of the tax dollar.

So far as the municipalities are concerned, their share of the tax dollar has been practically eliminated. The federal government now stands in the position of hogging the largest share of the tax dollar, which is a complete reversal of the position in 1939. The government creates the impression of being a hog at the feeding trough of taxes levied on the Canadian people. Beware that you do not suffer the fate of all hogs when fattened.

The problem of education and providing proper facilities for the children of our country is not going to diminish in the future. I have here figures prepared by Dr. M. E. LaZerte at the instance of the Canadian school trustees' association. Incidentally, these figures are also taken from a publication of the dominion bureau of statistics entitled, "Probable Increase in Secondary School Enrolment in Canada, 1952 to 1964". The figures show an enrolment in 1952 of 305,200 secondary school students in grades 9 to 13. It is estimated that by 1964 the figure will increase to 611,475. That is a doubling of the population in the secondary schools. This is only an estimate, but it highlights the problem of providing (a) accommodation for these children and (b) the teachers to instruct them.

Many individual school sections in the country have recognized the basic necessity of trying to equalize the tax load. In the past few years there have been instances where separate school sections, some with large industrial and commercial assessments from which they were benefiting, realized that the fair thing to do was to join with other school sections which had a highly residential assessment, to try to level off the load.

It was recognized that it was to the benefit of all to equalize the load carried by the home owner. But of course the benefit such action can bring is limited to the effect that can be achieved by a school tax on real property.

The concern, however, is much broader in scope than merely that of a school section or school board. We have to educate our children as Canadians. As a society we have a duty to educate them as Canadians. Does anyone in this house contend that because a child comes from rich Toronto he is entitled to a better education than a child who comes from some outlying part of the country? If you say he is, then leave the legislation as it stands. If you say he is not, then steps must be taken by this government to ensure in some way that the educational opportunities across the country will be equal for all, no matter from whence they come. Do not make the dollar bill the necessary requirement to enter school and attain the standard of education being required in this country today.

I fully appreciate and recognize this fact. The actual curriculum and the actual teaching in the schools must now and, as far as I can see, for all time in the future remain under provincial direction. We have in this country, to add to our strength, many cultures. These differences must be respected and the various methods of teaching in the various parts of this country must be respected. But there must be made available the opportunity for every child who is a Canadian—whether he be natural-born or imported—to attend school and be educated, if he wishes to avail himself of the opportunity, in order to help us all maintain and raise the standards in this country.

In the fast-growing areas there is another problem, and it is one that is going to be enlarged rather than diminished. I refer to the serious potential teacher shortage. If a man wishes to take the formal training for commerce, he spends 16 years taking it. The same thing applies for agriculture. For law the training period is 17 years. For medicine it is 18 years. So far we have been fortunate in that, by and large, our educators have been perhaps a little bit dedicated. Nevertheless they have given to us a fair standard in our schools. But they are and will be faced with the prospect of asking people to spend the same length of time in qualifying themselves to accept less than other people receive, or they are going to be faced with the sorry measure of trying to short-cut the courses for teachers. Anyone here who has or is likely to have children in school can readily see the effects of that situation.

We cannot expect others in other businesses or professions not to keep in step with the expanding economy, and that involves more money. Whether by design or accident, by the failure of this government to make available to the provinces money for distribution down to the municipalities, you have stretched to the limit the resources of the municipalities of this country. You yourselves are going to feel the effect of this when you find teachers leaving the profession for lack of increase in salary. Why should they stay in it? Would anyone here do so? You must make the funds available so that the most highly trained people in this country will come into the teaching profession, and teach our children so they may build this country of ours. The hog that has moved into the taxation trough and that is taking the big bite had better slim down and make some of it available to other levels of government in this country.

I have one other matter to which I should like to refer, Mr. Speaker. It has a rather direct bearing on my constituency. I know of one person who does not agree with me. However, there is in the area a transportation problem that is being partially met by large expenditures of money by the government of the province of Ontario on highways and bridges. They are doing everything within their field to improve the lot of the people riding into and out of the city of Toronto.

In my riding the Canadian people have quite a large investment in the way of railway tracks. No extra capital outlay is required for the creation of a roadbed. It is there. All that is required is for the Canadian National Railways, in this particular instance, to realize that in many instances their counterparts in the United States are successfully operating commuter trains through built-up areas, and are providing a service that has long been demanded by the people of the area from which I come. I suggest that a privately-owned company in the United States would not dare fail to put on adequate commuter trains.

I do not mean to merely put them on and say, "Now, look; the people do not ride on them." You have to put on proper cars; you have to build a service so people know they can count on it. The road traffic is becoming heavier, and I suggest from the floor of this house, Mr. Speaker, that if the Canadian National Railways would establish a modern, efficient, clean, adequate commuter service on their line running west from Toronto to Hamilton, (a) they would be providing a service which a publicly-owned company should provide; and (b) they would be pleasantly surprised at the revenue that service would earn.

Mr. John Hunter (Parkdale): I should like to join with the many others, Mr. Speaker, who have thanked the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. I particularly enjoyed the opening of the debate because the hon. member for Timiskaming is a women for whom I have the greatest admiration. I feel that the historic occasion of having a woman move the adoption of the address is a tribute not only to the women of Canada but very definitely to the hon. member for Timiskaming.

The seconder of the address, the hon. member for Bellechasse, is a young man who shows great promise. I have no doubt he will make great contributions in the future to this house, to his riding and to the country.

There is something which I have not heard mentioned up to the moment, and that is a word of thanks to our Speaker. I am going to do that. Our Speaker made a speech before the Empire Club in Toronto which was one of the most brilliant and best presented speeches on British parliamentary institutions to which it has ever been my pleasure to listen. Personally I believe he did a great service to this parliament and to his own racial origin when he made that speech. It was one of the best received speeches that has ever been made in Toronto.

I should like to pay my respects also to the Prime Minister for calling this conference between the federal and provincial governments on the question of health insurance. This is the last great field of social security to be entered into, and I think he deserves nothing but commendation and admiration for calling this conference.

I want to pay tribute to the Minister of Trade and Commerce, who I thought made one of the best speeches in this house the other day on the question of the wheat surplus that I have ever heard in my life. I should like to pay tribute to the Minister of National Health and Welfare who has been doing excellent work at the United Nations, following up the groundwork laid by the Secretary of State for External Affairs.

Last summer I was one of a group who were privileged to go to the meeting of the United Nations interparliamentary association, and later to see the armed forces in France and Germany. Naturally it was a unique experience, one which I hope every member of this house will enjoy in the future. However, the thing about which I wish to speak particularly in so far as that trip was concerned is the armed forces. I can assure you that the money which has been spent on these armed forces has been well spent. The Canadian brigade up in Westphalia is one of the most efficient brigades I have seen anywhere. The men are well housed, well fed and well looked after. They are most efficient in their operations. It is a very well trained brigade, and I daresay there is no better brigade anywhere in any of the armed forces of the NATO nations.

I was particularly struck with our Canadian air division. The Canadian air division is something we hear about, but we do not seem to really appreciate the magnitude of it. It is one of the really big things in Europe. It is not just a small contribution by Canada, it is a very large contribution and is the finest of its kind in Europe. I might say it was rather interesting to find that our planes are the best day fighters in Europe. This was rather a shock to some of our allies, but it was very gratifying to a Canadian to find that this country is capable of building planes of that nature, having a Canadian engine which is more powerful than anything produced by our allies.

Originally I thought I would speak on external affairs, arising out of my interest in seeing these NATO forces. When I mentioned this to one of my friends he said, "Well, ignorance has never been a deterrent". Nevertheless, I thought possibly I would still try to give some views on external affairs, in view of the fact that I was so interested in seeing what was happening over there. However, I see it is now six o'clock, so I have pleasure in moving the adjournment of the debate.

On motion of Mr. Hunter the debate was adjourned.

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

QUESTIONS

(The following answers, deposited with the Clerk of the House, are printed in the official report of debates pursuant to standing order 39.)

IMMIGRANTS 1954 AND 1955

Mr. Fulton:

1. What were the total numbers of immigrants landing in Canada in each month during the calendar year 1955?
2. What were the corresponding totals during 1954 and 1953?

Mr. Pickersgill:

1 and 2.

Immigration to Canada by Months
January 1, 1953 to November 30, 1955

Months	1953	1954	1955
January	5,627	8,080	4,210
February ...	5,242	6,834	5,553
March	12,068	13,309	7,864
April	16,118	16,654	13,072
May	20,905	23,078	14,798
June	18,376	17,810	12,920
July	19,697	15,839	11,183
August	14,594	14,270	9,649
September ..	12,471	10,979	7,358
October	18,624	11,256	9,989
November ..	13,916	8,664	6,677
December ..	11,230	7,454	*
	168,868	154,227	103,273

*Statistics for the month of December 1955 are not yet available.

Source: Department of Citizenship and Immigration.

HOUSE OF COMMONS

Thursday, January 19, 1956

The house met at eleven o'clock.

EXTERNAL AFFAIRS

REQUEST FOR EARLY DEBATE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister if he is prepared to deal with the proposal I made a week ago that there be a debate on external affairs which would give us an opportunity for a coherent discussion of that subject following a statement by the Secretary of State for External Affairs (Mr. Pearson). It seems to me that events which have occurred since that time emphasize the desirability of a debate shortly after the termination of the debate on the address in reply to the speech from the throne.

Right Hon. L. S. St. Laurent (Prime Minister): I quite agree with the Leader of the Opposition, and I hope that arrangements can be made for such a debate shortly after the conclusion of the debate on the address in reply to the speech from the throne.

REQUEST FOR STATEMENT ON REPORTED SHIPMENT OF AIRCRAFT TO EGYPT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the photograph handed to the press by the public relations officers of the Royal Canadian Air Force, showing a Harvard trainer carrying military weapons, will the Secretary of State for External Affairs amend the answer he gave to the effect that he did not believe that Harvard trainers could carry weapons, and amplify the remarks he made on the earlier occasion?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I am quite ready to amend and amplify the answer which I gave on this point, and which was preceded by the cautionary observation that I was not a military expert. I said I did not believe this could be done. Apparently it can be done.

Mr. Drew: Might I ask a supplementary question of the Minister of National Defence? If that is so, have any steps been taken to ensure that military weapons are not provided for the Harvard trainers being shipped to Egypt?

Hon. R. O. Campney (Minister of National Defence): I shall be glad to get the information the Leader of the Opposition has asked for. I should like to say, in explanation of the statement on which he based his question, that I am informed that the pictures of the Harvard which were displayed in various newspapers were taken many years ago and they are in the offices of newspapers everywhere. The Harvard has for many years been regarded entirely as a trainer. It was never in fact in action, but was an armed trainer in use for some time years ago.

With regard to the question the Leader of the Opposition has asked, I shall obtain the answer for him.

TAXATION

TORONTO—REQUEST FOR CONFERENCE ON PAYMENT OF TAXES ON GOVERNMENT PROPERTY

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, now that the Minister of Finance is back in Canada and the debate on the address in reply to the speech from the throne is proceeding, would the Prime Minister reconsider his answer to the mayor and city council of Toronto who requested a conference on the matter of taxation on federal property in Toronto?

Hon. W. E. Harris (Minister of Finance): I would point out to the hon. member for St. Paul's that I saw the mayor and board of control of the city of Toronto last week and discussed this subject.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Labour if his department has obtained a ruling from the Department of Justice as to whether it will be possible by regulation to

pay unemployment insurance benefits to persons denied those benefits under the new act provided they could have qualified under the old act?

Hon. Milton F. Gregg (Minister of Labour): The answer is that a ruling has not been received as yet. While I am on my feet, I can report at first hand to my hon. friend that in his own city of Winnipeg there are not a very large number so affected. I was glad to find in my week end visit there that under our new legislation some 25 per cent more were qualifying for seasonal benefits this winter, and I am quite sure it includes practically all those he has in mind.

NATIONAL DEFENCE

NUMBER OF HELICOPTERS IN POSSESSION OF NAVY

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): I should like to reply to the question asked by the hon. member for Peterborough (Mr. Fraser) on Tuesday last as to how many helicopters the Royal Canadian Navy possesses. The number is 22.

POTATOES

INQUIRY AS TO AGREEMENT WITH STARCH PRODUCERS IN NEW BRUNSWICK

On the orders of the day:

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the government reached any agreement with the starch producers in New Brunswick as to the proportion of the $1 per barrel of potatoes the government will pay? If so, what is the amount?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, we have made a proposal to the potato producers in New Brunswick to the effect that we would pay a certain amount on the potatoes that are utilized for starch provided they are potatoes that are in the commercial grades. I do not think that is the exact term to use in connection with it. I think it would be better if I were to give the hon. member a copy of the proposal itself, which will give him full information with regard to the matter. I am not certain that an agreement has yet been signed.

Mr. Montgomery: May I ask a supplementary question? The minister mentions commercial grades. I presume he is referring to Canada No. 1?

Mr. Gardiner: Yes, that is correct.

[Mr. Knowles.]

WAR ASSETS

DISPOSAL OF DISMANTLED FIELD ARTILLERY WEAPONS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, will the Prime Minister inform the house whether any field artillery weapons are being dismantled or have been dismantled and the parts sold separately by the Crown Assets Disposal Corporation under circumstances which would make it possible for those parts to be sold outside Canada?

Right Hon. L. S. St. Laurent (Prime Minister): Not to my knowledge, Mr. Speaker, but I shall get more complete information. There is a full report being prepared of all orders that have been acquiesced in for anything that might be classified as a military weapon.

Mr. Drew: Since the Prime Minister has indicated that an inquiry will be made, may I point out that my question was whether field artillery weapons had been dismantled and the parts sold separately. I would imagine they would then not have been sold as weapons, and I would hope that the Prime Minister, at the same time the inquiry is being made, will also make inquiries with respect to whether such parts, if they were sold, would require the ordinary permit that is required in the case of weapons being sold.

CITIZENSHIP AND IMMIGRATION

REPORTED RECRUITING OF IMMIGRANTS THROUGH PROMISE OF HEALTH INSURANCE

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to address a question to the Minister of Citizenship and Immigration. Was the statement made on the C.B.C. last night at ten o'clock that the deputy minister of immigration is trying to get recruits overseas by saying that in the very near future Canada will have health insurance a correct statement? If so, did the minister give the deputy minister authority to say that, and can the minister also tell us when we are going to have health insurance?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I was more profitably occupied at ten o'clock last evening than the hon. member. Therefore I did not have the advantage of hearing the broadcast. I do not know what may have been said on the news broadcast; but I have sufficient confidence in the good sense, discretion and propriety of my deputy minister

to feel quite assured that he did not make any pronouncements about policy in any field that was not his own.

INDIAN AFFAIRS—REPORTED ENTRY ON WESTBANK RESERVE

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I should like to correct the answer I gave off the cuff yesterday to the hon. member for Okanagan Boundary.

Mr. Fleming: This seems to be the day for corrections.

Mr. Pickersgill: I said I understood that the provincial government of British Columbia had, as I believed, made a cash offer to the Indians of a particular reserve for certain land for the purpose of building the bridge to which the hon. member had reference. I am informed that the offer was not for land for the purpose of building the bridge but was for land for the highway leading up to the bridge, and that so far as the land for the bridge itself is concerned an application is under discussion at the present moment between officials of the public works department, I believe they call it, of British Columbia and the officials of my department looking to an application to the council of the band for this other land.

With respect to the shotguns, I am informed that certain employees of a contractor went on the reserve to look for a gravel pit without permission, that this was resented by the Indians and that they apparently did happen to have some shotguns, but I am told that no shots were fired.

Mr. Fleming: Mr. Speaker—

Mr. Drew: Mr. Speaker—

Mr. Speaker: The Leader of the Opposition.

Mr. Fleming: Mr. Speaker, in view of the corrective statements made this morning by the Secretary of State for External Affairs and the Minister of Citizenship and Immigration, may I ask if any other members of the government choose to follow their example and avail themselves of this opportunity to correct misleading statements they have made?

Mr. Pearson: Mr. Speaker, will the hon. gentleman correct your statement that he is now the Leader of the Opposition?

Mr. Fleming: Mr. Speaker, may I give you my earnest assurance that I did not hear you say that.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

REQUEST FOR REPEAT PERFORMANCE OF "C.B.C. STAGE" PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had intended to ask the question put by the hon. member for Peterborough, but since that question has been asked may I direct one to the Minister of National Revenue. In view of the number of requests which have been reaching me, will he ask the C.B.C. to consider a repeat performance of the very excellent program that was given on "C.B.C. Stage" on the night of January 1?

Hon. J. J. McCann (Minister of National Revenue): Yes, Mr. Speaker, I will convey the request to the officials of the C.B.C.

GRAIN

VANCOUVER—REFERENCE TO PRESS REPORT OF IDLE GRAIN SHIPS IN HARBOUR

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, it is gratifying at least to find that hon. members opposite can find some humour in the absurd position in which they are placed by contradictory statements that have been made. However, I should like to direct a question to the Minister of Trade and Commerce. Has he either seen or had his attention drawn to a report in the Vancouver *Province* of January 14 that grain ships are lying idle in Vancouver harbour because they cannot get the grain that has been ordered to fill them?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have not seen the editorial, Mr. Speaker.

Mr. Drew: It is not an editorial. It is a news report.

Mr. Howe (Port Arthur): I have not seen the news report. I am aware of the fact that certain ships are delayed, waiting for proper grades. The attention of the railways has been called to the situation, and more cars are constantly being diverted to that movement. The situation largely results from the fact that for some days the tracks in the west were closed through storms in Alberta and through washouts on the lines. The situation is being corrected as rapidly as possible, and by another week I think traffic will be moving normally out of that port.

[*Later:*]

REPORTED CONFERENCE RESPECTING ALLEGED SHORTAGE OF FREIGHT CARS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask a supplementary question of the Minister of Trade and Commerce. Is it a fact that a conference is going on at the present time with the chairman of the wheat board in connection with the shortage of freight cars. Is it a fact that in part the reason for the accumulation of vacant shipping space in Vancouver and elsewhere is the large number of Canadian freight cars in the United States? What is being done to move those cars back into Canada for use in the transportation of available wheat?

Right Hon. C. D. Howe (Minister of Trade and Commerce): It is true that we have a great many box cars in the United States. Whether or not the number is as normal I do not know. It is also true that the United States has a great number of flat cars in Canada. Whether or not that situation is as normal I do not know. However, the arrangements governing the return of cars on both sides is a matter of agreement between the railroads. In wartime, when a transport controller was appointed by the government in Washington, there was something the government could do about the matter. We have explored the situation and there seems to be nothing the government can do to assist the railroads in carrying out their arrangements. It is purely a matter for the railroads.

Mr. Diefenbaker: What is the authority of the transport controller? Where does he operate from, and what authority has he to assure that these cars are available, at least in fair proportion, to the operations of the grain trade?

Mr. Howe (Port Arthur): Well, Mr. Speaker, my hon. friend helped to pass the act governing the duties of the transport controller. If he will look at that act he will have more accurate knowledge of the duties and authority of the controller than I could give him.

Mr. Diefenbaker: I understand he has been on vacation.

Mr. Howe (Port Arthur): Some people do take vacations; unfortunately, I am not one of that happy number. I think my hon. friend takes his share, from what I have been able to learn. The controller has been doing a very good job, and he has a very able staff that is carrying on in his absence. The office of transport controller is not a one-man show.

[Mr. Howe (Port Arthur).]

BUTTER

SALES TO COMMUNIST COUNTRIES—REQUEST FOR TABLING OF AGREEMENTS

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, about a week ago I asked the Minister of Agriculture if he would lay on the table of the house copies of the agreements for the export of surplus butter to certain countries. At that time he said that he would do so. When may we expect that tabling to be done?

Right Hon. J. G. Gardiner (Minister of Agriculture): I must say, Mr. Speaker, that I have not read too carefully the new regulations with regard to laying returns on the table as the result of what has been arranged recently, but I will see that those agreements, if any, are tabled. I was not aware that I was obliged to bring them here and put them on the table, but I will see that whatever is available is put on the table.

FLOODS

BRITISH COLUMBIA—ASSISTANCE RESPECTING LOSSES SUFFERED BY INDIANS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether any appeals for assistance have been made on behalf of the Indians who suffered severe losses in the November and December floods in British Columbia. If so, has he any statement to make as to what action we may expect?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Nothing of that sort has come to my personal attention, Mr. Speaker, although it is conceivable that something might have been dealt with in the ordinary way by the department.

HOUSING

INQUIRY AS TO REDEVELOPMENT IN MONTREAL

On the orders of the day:

Mr. Claude Richardson (St. Lawrence-St. George): I should like to direct a question to the Minister of Public Works. In view of the increased emphasis which the government is placing on housing redevelopment, can the minister tell the house what progress is being made in respect of housing redevelopment in the city of Montreal?

Hon. Robert H. Winters (Minister of Public Works): The hon. member was kind enough to give me notice of his question. After the city of Montreal approached the federal government, with the consent of the provincial

government as required by the legislation, a joint committee consisting of representatives of the city of Montreal and of Central Mortgage and Housing Corporation was established in the latter part of September of last year. This committee has been actively studying the many problems involved in a large redevelopment undertaking of this nature.

I am informed that the committee is now prepared to recommend on many of the details, including the boundaries of the area to be redeveloped. The official report of the joint committee is expected early in February. This report will be submitted in the form of a recommendation for the consideration of the city of Montreal and the federal government. So far as the federal government is concerned, I can assure the hon. member that the report will receive prompt attention.

REQUEST THAT GOVERNMENT SUPPLY PORTION OF HOUSING ACT FUNDS

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): I understand that yesterday in my absence the hon. member for Burnaby-Coquitlam asked the following question:

In view of yesterday's announcement by the banks indicating a decline in money being available for housing, would the government consider again supplying a portion of N.H.A. funds as it did before the first session of this parliament?

In reply, I should point out that I do not know of any general announcement by the banks regarding a decline in money available for housing. There has been no indication by prospective borrowers that there is a general shortage of mortgage money under the National Housing Act. As the hon. member knows, the act contains authority by which Central Mortgage may make loans directly to borrowers if loans are not being made available by approved lenders. If a shortage of mortgage money did occur it would be a matter of government policy, in light of the circumstances at that time, to determine to what extent the corporation's power to make direct loans should be used. At the present time this authority is being used in the smaller communities. It is the government's intention to ensure that a high level of house building continues.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Wednesday, January 18, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Coldwell.

Mr. John Hunter (Parkdale): When the debate adjourned last night, Mr. Speaker, I had indicated that I intended to make some remarks on external affairs. However, before I go on with them I would call the attention of the house to the fact that another one of those very sad cases occurred last night in Toronto. A young girl of 13 was attacked and killed. I hope the Minister of Justice (Mr. Garson) together with the attorneys general of the provinces can work out some form of procedure to help control this type of thing.

In so far as my remarks on external affairs are concerned, I enter upon those with some timidity in view of the fact that there are experts on this subject in the house who know so much more about it than I do. However, I do want to make some remarks along this line. I suppose even a cat can look at a king.

While there are many troubled spots throughout the world, some of which could boil over at any time into either a local conflict or a major conflict, yet I think it must be conceded that the long-term and enduring problem is that of Russian communism. Many of these hot spots throughout the world are caused by communist propaganda and communist infiltration. Therefore the main problem, the long-term and enduring problem, boils down to the question of Russia and her purposes.

The extent of her conquests have been rather drastic since the war. As we all know, she has the Baltic states, with the exception of Finland. She has taken over Poland; she has retained the Ukraine; she has Eastern Germany, Rumania, Bulgaria and Czechoslovakia. China and northern French Indo-China have followed her policy.

In addition, from a political point of view her adherents have made considerable political gains in many countries. We just have to face the fact that any portion of the world where there is social, economic or political injustice, is a likely spot for communist infiltration. The communists have no scruples; they can promise anything, whereas when we try to help we have to fulfil our promises. Therefore ours are restrained, carefully thought out, and inclined to be rather smaller than the communist promises. Accordingly it is a more difficult problem for us; the same as it is more difficult for a government in power than for an opposition, who can make extravagant promises.

The armed forces of the Russians are there not entirely for protection. Of course they state they are there for protection, but they are there for other purposes. They are there also for intimidation, and if a suitable occasion arose I suggest they would be there for

aggression. At the moment we hope they are there mainly for intimidation. But the trouble with that type of thing is that their armed forces bear no relationship to their economy, because their economy is in the complete control of the government, which, of course, is a totalitarian government. By taking complete control of the government and of the economy, and certainly brooking no opposition of any kind, they are in the position where they can gear their economy to an armed forces economy and a heavy industry economy; whereas in a democracy we have to keep things on a sounder basis and aim at genuine prosperity rather than an enforced economy.

I suppose that the thermonuclear weapons which are now possessed by the Russians may have an effect which is quite different from what people expect. Many people are frightened that there will be a world catastrophe, which could easily happen, but it might possibly have the other effect. If enough people realize the extreme danger, it may well be that instead of a thermonuclear war we will have peace, or in the alternative we might have more or less a stalemate in nuclear weapons and have the traditional type of war break out in which thermonuclear weapons would not be used. That is a strong possibility. If Russia attacked, obviously thermonuclear weapons would be used; but if a war started in a small way and slowly kindled into a major conflict we could easily have a war using traditional weapons only and not thermonuclear weapons.

Since Russia is a totalitarian state, they need not consult the wishes of their people, and do not. I do not think we quite appreciate how strong that makes them, in the sense that they can gear their whole economy to whatever particular phase of activity they wish to engage in at that time. Also, the people have no say in what the government does. If they venture a contrary opinion they are sent to labour camps. They are subject to excessive propaganda, really, of an active and inactive kind. Since they are subject to excessive propaganda from birth they are not in a position to even think clearly or from a detached or impartial point of view. They have no knowledge except what is imparted to them through government propaganda.

In addition there is a great inactive type of propaganda to which they are subject. They do not allow the people to move. They are not permitted to leave the country; they are not permitted to get education by travel, and accordingly they are not in a position to judge the propaganda that is incessantly poured out to them in Russia, or at least partially counter it by seeing what is actually happening abroad.

As long as the Russians keep their people within the confines of their iron curtain it is quite obvious that they will not be in a position to gather any real knowledge of what happens outside. We may laugh at their propaganda and say it is incredible, but if you have heard nothing else, if it is continuous and persistent it is easy to understand that people may become adjusted to it and have complete faith in it. I am quite confident that the people of the satellite countries may not believe that propaganda because they have known better, but when two generations of Russian people have been brought up under that system it is easy to understand that they would believe in it and be willing to fight for it.

I believe it would be ridiculous to think that at any time we could have a revolution in Russia, barring the development of internal changes over a period of time. The present system is bound to last for a considerable length of time, subject to the outbreak of war which might destroy it. It must be remembered that this is not a moral government, it is an unmoral government. They are guided by what they wish to achieve, not by any moral principles. As long as they work on that basis no government should be naïve enough to believe in their word or to believe in any signed agreement entered into by them, because they will keep it only as long as it suits their purpose.

It would be most unwise to expect a revolution in Russia and the establishment of a democratic government. That might happen under certain circumstances in the satellite countries, but certainly not in Russia proper at the present time. The people there have never known democracy. Russia is the largest police state in the world. The days when the peasants might gather up their scythes and go out and murder the aristocrats are over. Today a revolution requires scientific and modern weapons and well-trained men to handle them, and nothing in Russia would ever be permitted to reach that stage.

I think it is quite clear that there has been no change in the purpose of the Russians. Last year many people had hopes that after the death of Stalin the government there might become somewhat softer in its outlook, might be inclined to be more friendly toward the democratic nations, might be more inclined to indicate that they thought they could live side by side. I do not think the original purpose of the Russians has ever been lost. At the present time the Russians

have no intention of giving up their eventual plans for world conquest and the establishment of world communism.

In view of that fact it is quite obvious that this will be a long drawn out proposition. Our first duty and obligation is to maintain our allegiance to the United Nations and to NATO, of which our Prime Minister (Mr. St. Laurent) might be considered the father. While they are both equally important, I think it is most vital that we continue our adherence to NATO which is actually giving us the physical strength to resist if something does happen. Of course this involves the continuation of large armed forces, and I think for many years we must look forward to spending a large proportion of the money collected from the public on our armed forces. However, I think that will prove to be a cheap form of insurance in the long run.

Another thing we are going to have to do is guard our economy. I think it is most vital in any democratic country which desires to maintain itself against communism that the economy be watched most closely. We must remain prosperous; we must retain high employment, because everyone knows that part of the communist propaganda is directed at unemployment, bread lines and things of that kind. The hope of communist countries is that the democracies will have a breakdown in their economies. Accordingly that is something that will have to be watched very carefully. Fortunately it has been watched very carefully, and the present government will continue to watch it and prevent anything like the depression which was predicted last year by the Leader of the Opposition (Mr. Drew).

I think one thing we will have to recognize eventually is the importance of education, which is under the exclusive legislative jurisdiction of the provinces. We will have to realize the importance of giving what assistance we can. What form this assistance may take is something I will gladly leave to the judgment of our Prime Minister, but what I am getting at is this. Any country which hopes to compete with communism and keep up its scientific reputation and its rate of scientific advancement must have able instructors in its universities. It is only by having able instructors in our universities that we will be able to turn out trained scientists who will keep us abreast or ahead of the scientific competition which has been entered into between Russian communism and the democracies. Something must be done in this connection, particularly in keeping up the scientific progress of our country.

Of course we have done great things along these lines with our atomic energy plant at Chalk River and our other research work, and I think the federal government has gone far beyond what many governments have done. We will certainly have to keep our eyes on this in order that we may not only keep abreast of scientific development but ahead of it if possible.

We must continue what we have been doing in helping less fortunate nations under the Colombo plan. We have made considerable contributions under this plan, and this year we are increasing them. It may be that eventually we will have to increase them again. If we are going to avoid trouble spots in the world we should try to help less fortunate countries. After all, we are not the biggest country in the world, but we should try to help cure the economic, social and political ills of these trouble spots. We will have to spend money to do it, and it will take a great deal of patience and a great deal of tact.

I suppose one of the reasons the democracies are so powerful is the fact that they are governments of the people, but I think it is also quite clear that democracy in competition with communism, with the totalitarian government, has certain apparent weaknesses. In the long run I do not think they are weaknesses, I think they are evidence of strength; but we must face the fact that the communists have complete control over their people and can compel them to do anything whether they like it or not.

We do not believe in that sort of thing; we believe that the people must be convinced as to what we are doing. That is the strength of a democracy. But in the case of short-term urgency it could be a weakness, because a democracy cannot act as rapidly as a totalitarian state. What it boils down to is that as a long-term proposition we will have to continue to keep eternal vigilance and never relax.

I was astonished to hear the Leader of the Opposition say that the speech from the throne contained little but easy assurances and uninformative platitudes. I do not know exactly what the Leader of the Opposition was looking for, but if he was looking for a side show or something fascinating, then he came to the wrong place. The speech from the throne is an indication of government policy. It has to do with the serious business of governing the country, and for somebody to look for excitement or something of that kind in the speech from the throne is absolutely absurd. As I say, it is serious business.

The government was not in a position to say anything in the speech from the throne regarding the important matter of health

insurance but there may be something later on because, as you all know, the Prime Minister has called a conference with the provinces to consider that particular phase of social security. To say that either we are doing nothing, or that there is a failure to disclose these things, is to my mind a most unfair statement; but I suppose it was not unexpected.

I shall close simply by saying that I hope the Secretary of State for External Affairs will forgive my temerity in entering into a discussion of external affairs, and I trust that what I have said has not been so bad that I shall be disowned immediately.

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, I should like to join in the congratulations offered by other hon. members to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

My initial address in this house, of considerable length, described my own riding and mentioned the necessity of some way of decentralizing industry. Many reasons for such decentralization can be seen by those who live in smaller communities. The fact that many people are crowding into large urban municipalities makes them very vulnerable to complete annihilation in this day and age of atomic warfare.

Decentralization would help many phases of our economy. For instance, if our population were more diversified and spread out, the carrying of freight throughout the country would bring additional revenue to our railroads. So I could go on. There are many reasons for this. However, as others have mentioned and I myself have mentioned, industry is moving out into the smaller communities to a considerable extent. Several industries have settled in my riding during the past few years.

In this connection I should like to congratulate all our local municipal councils and associated boards, such as the school boards and hospital boards, on the wonderful job they are doing to keep those communities attractive for industries that may be looking for good industrial sites. In the last year it has been interesting to note the increase in hospital facilities that has taken place in that particular part of the country from which I come. In one centre, that of Fergus, a new hospital was built with 56 beds at a cost of $541,000. The general hospital at Palmerston had an addition and was remodelled at a cost of $138,000. The Wingham hospital had an addition estimated to cost $610,000. The Louise Marshall hospital at Mount Forest had an addition at a cost of $112,064. As I have said, all this is an indication that those communities are doing their best to look after the services and facilities so necessary in our smaller communities.

All this work, as all hon. members know, is done with the co-operation of provincial and federal governments, but I maintain that the initiative and the main part of the cost is borne by those municipalities themselves and neighbouring municipalities interested in those particular centres. In that connection, in my own riding alone well over a million dollars has been spent on hospital facilities in the last year. In the past few years well over a million dollars has also been spent on public and high school facilities.

I hope other hon. members in this house will join me in urging the Minister of Finance once again to give consideration to the necessity for dropping the sales tax on purchases by municipal councils and associated boards. The land and property taxes, are increasing and are a very heavy burden on the property and land owners in the small communities as well as in the large communities, but they are necessitated by the provision of modern and adequate facilities for these people.

Now I should like to turn to another phase of the economy. We are all interested in our own ridings, but this is one of the fundamental problems of agriculture throughout the country. The counties of Wellington and Huron do their share in providing agricultural products for this country's economy; in particular they are among the leaders in the production of oats, mixed grains, flax, butter, cattle, beef and many other associated products.

I was rather interested in a statement made by Dr. E. G. Pleva, professor of economic geography at the University of Western Ontario. This statement will bring to the attention of this house the importance of agriculture in that part of the dominion called the lowlands of the St. Lawrence. That district, which comprises 1 per cent of the land area of Canada, contains about two-thirds of the population and three-quarters of the industrial development, and receives—this fact was very interesting to me—one-half of the agricultural crop dollars. One can see why we who represent ridings in that district want to add our voices to the voices of those who are bringing to the attention of this house the condition of agriculture throughout our dominion.

Since coming to this house it has been rather interesting to see how much is said for the western farmer. Certainly he is an important and integral part of the economy of

this great dominion and is having his problems. We have surpluses. The Minister of Trade and Commerce, in a speech the other day, seemed to welcome these surpluses. The Minister of Agriculture, using a Biblical term which he has quoted many times in this house, about the seven good years and seven bad years, indicated they were a good thing. However, I feel that with the recent trend of improved methods in all phases of agriculture, increased production is going to continue; it is not going to be the exception. Unless we have some major national setback, which does not happen very often, conditions of increased crop production are going to continue.

In that connection I should like to mention the recent speech by the hon. member for Parkdale, in which he mentioned the necessity for increased research. I would say that every medium possible should be used in order that research in agriculture may be continued and fostered, and so that costs of production may be reduced, the quality of products improved and our agricultural products made able to compete in the markets of the world as regards price and quality.

As I have said, the western farmer has been spoken of a good deal in this house since I have been here, and no doubt a good many times before that. But what was predicted a few years ago by many farming organizations in this country has happened. The effective surplus in the west has had a bad effect on agriculture throughout the whole economy. Farming prices have fallen to such an extent that the farmer is having a very difficult problem.

In connection with the farmers of southern Ontario, a report of the Searle Grain Company of Wednesday, January 11, gives a very definite reason for our problems down here. Under the heading, "The Underlying Reason for Concern" the report has this to say:

> Without entering into the debatable question whether the western farmers should or should not be encouraged to raise more livestock at this time we do feel that the suggestion is of great interest, not only because it reflects the concern felt by eastern producers about the trend in this particular branch of the agricultural industry, but also because it brings out clearly the chain of reaction and the difficulties that can follow when the natural order of events and the natural flow of marketing is disturbed. The actual background which provoked this suggestion from Ontario stems largely from the distress selling of quantities of grain in parts of western Canada, and particularly in Alberta, at prices far below the regular Canadian wheat board prices. These sales, conducted along legal lines, entirely outside board operations, were from farm to farm as well as to feeders of poultry and other livestock and they are indicative of the desire of the farmers concerned to find an outlet for their grain to provide ready cash at a time when restrictive quotas are in effect. It is the competition of the feeders who enjoy cheap feed resulting from this distress selling of grain that is most feared by the eastern livestock group.

To bear that out, I have a recent hog producers' survey conducted by my own Wellington county federation of agriculture, which would indicate that 27·6 per cent more hogs were raised in western Canada in 1955 than in 1954. In eastern Canada the figure is down by 11·6 per cent, which is an indication that what was predicted would happen has taken place. The Minister of Agriculture suggested to the western farmers that they diversify their production, and that their only solution was to raise more livestock.

Throughout the world today we are coming closer together from an economic point of view, so what happens in one part of the world affects every other part. The same is true of our dominion. The fact that the western farmer has of necessity had to become a general farmer has affected the farmers of southern Ontario. What has happened? In a recent address Professor MacDougall, professor of economic agriculture at the Ontario Agricultural College, advised that some of the younger men who are farming should leave the farms, that they would be happier in the cities. Many of these young farmers are boys who went overseas and fought for us in the last war. When they came home they used their war benefits and gratuities to do what they had fought for and felt they had the right to do. They used them to become farmers, to carry on the occupation they had chosen in this supposedly free world, to live in the way they wanted to live. Now they are faced with the inability of the government to sell the products of the farmers on the markets of the world.

I should like to endorse what the hon. member for Oxford (Mr. Nesbitt) said about the operations of the income tax department as they affect farmers. It has been brought to my attention that income tax collectors go about the country and drop in quietly and unobtrusively on farmers who have been paying their income tax to the best of their ability. They sit down with them and ask them about their living costs. They ask them how much they have spent on meat, vegetables, clothing and so on, and the prices are all taken at the retail level.

The farmer unknowingly goes along with the income tax official, and when the official is all through he asks the farmer to sign a paper. Then the income tax inspector goes away and shortly afterwards an amount is added to the income the farmer has already declared. He receives a new assessment which is away out of line from the point of view of what he should pay by way of income tax.

Instances have also been brought to my attention respecting applications by farmers to the farm loan board. Regardless of whether the farmer has assets to cover the loan he requires, if he owes money to the bank or to an implement agency or somebody else in his district he is refused a loan. He is told that if he will pay off the bank and pay off the amount he owes the implement agency he will then be given a loan. How is he going to do that? He has to sell his stock in trade, his cattle and hogs, and practically go out of business. The farm loan board is no use to him. They do not help him to put his eggs all in one basket, consolidate his loans and give him a longer time to pay, thus permitting him to stay in business by maintaining his agricultural establishment. Then the farmer could carry on, but in so many cases he has been refused a loan. I notice that legislation is to be introduced respecting the Canadian farm loan board and I hope some consideration will be given to extending a little leniency to so many of these people that need help so badly.

There is only one other thing I should like to mention. It has to do with the statement of Professor MacDougall to which I referred before. He apparently believes that our small farms will disappear and that we will become a country of great farms. I say the same thing is happening in the case of the small retail merchant. Today with the increased number of great shopping centres and the spreading out of big retail buying organizations, the small retail merchant is being caught in the squeeze. The day when he lived in his own small community and catered to the needs and necessities of the people there is disappearing. With improved means of transportation he is caught in the squeeze. He not only has to compete with merchants in his own town but has to compete with big buying organizations who get special discounts.

I speak for the small automobile retailer as well as the ordinary retailer in our different communities. How is the small car dealer going to compete with the great sales agencies in the cities who get special discounts because of the number of cars they sell? I believe it is not a good indication for our economy to be heading in this direction. I believe that the small property owner, the farmer and the retailer, who have been the backbone of the country, who have been ready to take their places on municipal councils and various municipal boards; these people who have been big taxpayers in our small communities, who have provided the streets, hospitals, schools and all the other facilities that are so necessary, still have a definite place in our economy and should be protected.

There is just one other thing I want to say. The fact has been mentioned in the house before that our farmers could and would produce more on the farms if the bugbear of surpluses was removed. They feel now that if they increase their production their products will come on the market at a time when prices are depressed. In connection with the butter surplus, which was mentioned the other day, I sometimes feel that we might deal with it in the same way we dealt with the pork surplus a few years ago. The butter has been bought and paid for by the people of Canada. The farmers do not like the opposition of margarine. If this No. 1 storage butter were thrown on the market at prices comparable with those at which it is being sold to communist countries, I feel that such action would be a good advertising medium for the butter producers of this country, that it would get butter into homes that have not used it for years, and that the people of Canada would benefit thereby.

Mr. W. A. Pommer (Lisgar): Mr. Speaker, in rising to take part in this debate may I briefly add my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne on the exceedingly able manner in which they discharged their duties. The hon. member for Timiskaming set a precedent by becoming the first woman in our history to move the traditional address in reply to the speech from the throne with which His Excellency the Governor General opens our sessions of parliament.

The hon. member was pleased to say that in selecting her the Prime Minister had in mind the honouring of all the women of Canada in public and in private life. I have no doubt that was one of the things the Prime Minister had in mind. But after listening to the competent and informed speech which she made, and witnessing the manner in which she discussed some of the problems confronting the people of her constituency, our country as a whole and the great alliance of free nations with which we are associated, I am convinced that the Prime Minister had more in mind. I am sure he felt as I do, that it was not only an honour due to the hon. member as a representative of the women of Canada, but was in recognition of her own abilities, her own performance in this house and in the administration of the municipal affairs of the township of Teck of which she was reeve for so many years.

The seconder of the motion, the hon. member for Bellechasse (Mr. Laflamme), has been recently elected to the house and was making

his first speech. We are sure that the people of Bellechasse have an able representative in this house, and I congratulate him on his excellent speech. I am sure it augurs well for his future parliamentary career in the House of Commons.

I should just like to say a few words about the constituency I represent. The constituency of Lisgar is one of the historical political subdivisions in Canada. It was first known as Selkirk. The boundaries have been somewhat changed over the years, but it has been electing members to this house since the time of the entry of Manitoba into confederation. The first member was one of the great builders of Canada, namely Mr. Donald Smith, later known as Lord Strathcona and Mount Royal. The constituency covers an area of about five thousand square miles and has a population of about 49,000 people. I am proud to say that in enterprise, culture, respect for the laws of God and of the nation, and friendliness and kindliness, the people of Lisgar take second place to no other people in Canada or indeed in the world. I speak from 35 years of experience when I say that. I have seen them face bad times with fortitude and good times with humility and moderation.

Unlike many other constituencies in Canada, especially in the west, the whole area of Lisgar is fertile and populated. It is primarily a farming area. Serving the people and providing centres for social and business activity are some 60 towns and villages. Mixed farming is general throughout the area, but we produce plenty of good wheat and many other things as well. Some of the best purebred livestock will be found on the farms in Lisgar.

In the southern and eastern parts of the constituency row crops such as sugar beets, corn, peas, beans and tomatoes are successfully grown. Sunflowers do well and have been a good source of income for many farmers in recent years. Last year, for the first time in Manitoba, locally-grown tomatoes were canned. They were grown in the Morden, Winkler and Plum Coulee areas and were processed by the Aylmer plant at Morden.

I mention the range and variety of our farm output by way of notice to the Minister of Agriculture that our people are interested in the whole range of policies followed by his department. The minister, however, knows western Canada better than do most other men, and probably needs no notice. Perhaps I should direct these remarks to the Leader of the Opposition and to the other party leaders who aspire to office. Their agricultural policies must be sound, practical and well balanced if they are to appeal to the people of my constituency.

Along with the hon. member who moved the address in reply I was privileged to attend the first interparliamentary conference of the NATO countries at Paris last July. I agree with everything she said about the North Atlantic Treaty Organization and its importance to the preservation of freedom in the world. It is tragic that, so soon after a terrible war, nations should be obliged to band together in order to prevent another conflict by means of a show of force. Yet it would be more than tragic, it would be stupid if we were to ignore the facts and leave the way open to an aggressor to subdue us one by one.

I was impressed by what I saw and heard at NATO headquarters in Paris and on our visits to the Canadian forces serving in Europe. I was particularly impressed with the achievements of NATO and with Canada's role in those achievements. We can be proud of that role; but I wish more Canadians knew more about the challenge which the communist dictatorship presents to us and about the necessity of maintaining, enlarging and improving our common defence effort so long as that challenge exists.

It has been said by the Secretary of State for External Affairs, and by others as well, that ignorance is one of the great obstacles in the way of enduring peace. We know that the ignorance of the free world which exists in the minds of the Russian people is deliberately fostered by the communist government. We also know that some of the ignorance which exists in our own country and in other free countries about the Russian people, their conditions of life, their achievements and their opinions is due to the iron curtain which the communists have placed in the way of the exchange of information between the citizens of Russia on the one hand and those of the free countries on the other.

Between the countries of NATO, however, there are no artificial barriers to the exchange of information. We members of parliament who were privileged to take part in that assembly owe it to our country, and to the common cause of freedom, to tell the story of NATO. None of us could tell it better than did the hon. member for Timiskaming.

I was intrigued by a few of the things the hon. member for Prince Albert (Mr. Diefenbaker) said last week. He seemed to belittle the references to the general prosperity of our country which are contained in the speech from the throne. He said they reminded him of what was being said in

1929 on the eve of the great depression. I have heard this line of talk from opposition speakers before, from the socialists as well as the Conservatives. Never since our government came into power in Canada, according to them, have we ceased to be on the eve of a depression. No matter how prosperous in fact we have continued to be, their endlessly repeated refrain has been that this is not true prosperity; it is merely a Liberal prosperity. We seem to be prosperous, but it cannot last. Things are bound to get worse. We are surprised they are not worse already. The government is not doing the right thing and this false prosperity is a deceptive accident.

Then when things slow down just a little they scream that the depression has arrived, and call upon us to take desperate remedies which they have thought up to meet the depression for which they have been hoping. Ever since the last traces of the great depression were wiped out in the second world war and a wave of expansion followed it, the socialists and Conservatives have been predicting blue ruin. The Minister of Trade and Commerce is one of the chief architects of the economic policies which have brought a long succession of prosperous years. He has been ridiculed as an optimist, but his optimistic predictions have been more than justified by subsequent events.

Just a year ago we had more unemployment in this country than most of us like to see. Week after week we listened to the opposition labouring, almost gloating, over that fact. The Minister of Trade and Commerce told us the situation would soon improve. The government took certain measures to see that it did improve. We were told the measures were inadequate, that various emergency steps should be taken. Within a few months the situation did improve. We have heard little about unemployment in the debate so far this session.

What do we hear about? We hear about the wheat crisis. We hear that it is going to be a lot worse. We are told drastic steps must be taken. I am neither a prophet nor the son of a prophet. I do not know long prosperity is going to continue. I will not be surprised if we have a few ups and downs. Right now I should like to see our farmers selling more wheat and getting more cash for it, but I do not believe western Canada is going to the dogs as fast as the Leader of the Opposition and the leader of the C.C.F. would have us believe. Western Canada was built on faith and optimism. It was not built by men who always expected the worst. If everybody believed all the stories we hear from the opposition about calamities, both present and to come, no one would put another dollar into this country. Yet we find that capital investment last year was higher than ever before.

Not long ago Douglas Gibson of the Bank of Nova Scotia, one of our recognized authorities on economics, was quoted in the *Financial Post* as saying that the underlying trend in Canada is decidedly upward. I agree with him. I do not think any of the prophets of gloom have much in the way of a real basis for their predictions. The other day the C.C.F. leader said this government was bankrupt of ideas. I say that any party which pins its hope of beating this government on prophesying a depression is rather bankrupt in political ideas.

A year ago these gentlemen were talking about unemployment. There was unemployment. They said the government was to blame and that the government could stop unemployment if it would only do the things they wanted done, such as putting a lot of people to work building things to be paid for by the taxpayers. Had all the things they suggested been done there would not have been enough people to produce the goods which went to swell our gross national product in 1955 to a record figure in excess of $26 billion. Now they have changed their tune. They do not talk about unemployment; they talk about the wheat surplus. There is a big wheat surplus. I do not say it will disappear as quickly as last year's unemployment problem, but we may be surprised.

What has happened in the past year to make the blue ruin boys talk about wheat this session? It has been nothing but a good crop, 494 million bushels and most of it of high grade. This makes five bumper crops in the last six years. Is that bad? I do not think it is as bad as our critics make out. Things could have been a lot worse if we had not had the wheat board system of marketing, which guarantees a fair price and enables every farmer to move a proportion of his crop when elevator storage is limited.

During those six years the farmers have marketed more wheat than in any other period in their history. They have received cash for it. They still have a lot left on their farms, but I can remember times when they were a lot worse off. I can remember when they did not have good crops, when many had no crops at all, and when those who had crops received very little cash for what they sold. We had a Conservative government in those days, and I daresay they did the best they could but I do not recall any miracles.

This government perfected the wheat board system of marketing. It has taken the lead in getting co-operation among the

leading wheat exporting and importing nations in stabilizing wheat prices. The speech from the throne tells us about two other things that are to be done, one temporary and one permanent, to improve our wheat marketing system. There are to be guaranteed bank loans for the farmer with wheat on his farm who is short of cash. Our friends say that idea is no good. They say there should be unlimited advances from the wheat board through the elevator agents against wheat stored on the farms.

I wish it could be done that way, but the wheat board takes the position that it was not set up, nor is it organized, to do that kind of business. It is quite clear the wheat board is right. It certainly was not organized to lend money. It was organized to sell wheat, and has its hands full at the present time selling wheat. The board has no staff experienced in money lending, and would have to cast around for persons whom it could employ who are experienced and at the moment unemployed. It is rather strange that those who profess to be such supporters of the wheat board should, at a critical period in its existence, wish upon it overnight a new and invidious responsibility. I know that if the wheat board did undertake that job and made a few mistakes, we would soon hear about it from those whose chief aim in life is to discredit and destroy the wheat board.

No member from the western plains need offer any apology for discussing wheat on the floor of this house. Right now we are confronted with problems of storage and the financing of storage. They are important, but they should not be confused with the troubles we have had in the past, problems of short crops and hence lack of cash income, or problems of price. We have had good crops; we have had a steady flow of wheat to the markets, and we have had a reasonably stable price structure.

For the good crops we can thank divine Providence. For the stable price structure we can thank the marketing system which this government has developed with the support of our farm organizations, and which the Minister of Trade and Commerce and the Minister of Agriculture have stoutly defended. They have defended it against the attacks of the advocates of an open market, whose system would have meant disastrously low prices at this time. They have defended against the advocates of socialism, whose system would have put the western farmer in bondage to the state.

For many years our farmers hoped for a system of orderly marketing. Now they have it. What has it meant? Well, let me give you a few figures. For the ten-year period from 1940 to 1950 the average annual wheat crop in all Canada was 391 million bushels. The average annual exports were 275 million bushels. There was no surplus. In the last six years, with five bumper crops and only one poor crop, the average annual production was 522 million bushels. The average annual export was 286 million bushels.

To those who say there is something wrong with our foreign markets, the answer is in the fact that exports in recent years have been above the ten-year average. We have had above normal crops. In that situation, I submit that orderly marketing does not mean selling all that is produced right away. The selling of it all could mean disastrously low prices for the farmer, which is what happened in similar circumstances in the old days of the open market. It could mean subsidized export or dumping, which would cost the taxpayers of all Canada millions of dollars. I submit that it makes sense to follow the policy of orderly marketing which has meant much to the western farmer, and that it makes sense to ask the taxpayer to pay part of the cost of storage. I submit that subsidized dumping on a grand scale at the expense of the taxpayer could only bring demands that the western farmer curtail his production, to his long-term disadvantage.

I welcome the proposed measure to provide for payment of carrying charges on abnormal wheat carryovers. It will put more cash in the hands of the wheat grower this year when he needs it badly. It is one more step in reducing the risks attendant on wheat growing to something like the risks that pertain to other businesses in this country. It is not a special benefit to the wheat grower at the expense of the whole country. It will prove a long-range stabilizing influence on our whole economy. Every sector of the economy benefits when the western farmer sells his wheat at a fair price.

The western farmer has been blessed with a succession of bumper crops. He has been selling enough on export markets and otherwise to dispose of normal crops. It is clearly in the national interest that the excess be stored against the time when demand may increase or we may have a short crop. The cost of that storage should not all fall on the farmer. So, Mr. Speaker, I welcome the loan plan as a sincere attempt to make money available to the small wheat farmer during this time of slow marketing. I hail the plan for payment of storage as an important constructive move which belies any suggestion that this government is bankrupt of ideas. I deplore blue ruin talk which pictures a good crop as a disaster.

There are other announcements in the speech from the throne of special interest to my constituency. The Industrial Development Bank Act is to be amended. I hope the amendments will permit the bank to advance capital for the establishment of seed cleaning plants. The inability of the bank to assist an industry of this kind came to my attention in connection with a proposed plant at Pilot Mound. I wrote to the Minister of Finance, and received his assurance the matter would be taken up.

The proposed amendments to the Canadian Farm Loan Act and the Farm Improvement Loans Act will make those important measures of greater use to the farmers. The Prairie Farm Assistance Act has been a benefit to many farmers in the west in cases of crop failure. I am glad to note that amendments are proposed, but will wait for the introduction of legislation to present certain views in detail. Briefly, I believe the act should make it somewhat easier for Manitoba farmers to qualify for assistance than it has been up to now. Since the establishment of the scheme, Manitoba farmers have paid in $4,500,000 more than they have drawn out in crop failure benefits. This is in comparison with Saskatchewan and Alberta, who have taken out $90 million more than was paid in by the producers.

Mr. Speaker, I look forward to the future with confidence. Never has the outlook for Canada been brighter. We have problems in Canada, but they are small compared with those of other countries. They are problems associated with growth and expansion. They pale into insignificance in comparison with the larger problems of the world, the problem of avoiding war, the problem of bringing a better standard of living to the overcrowded and economically undeveloped areas. As a Canadian I am proud of the part our country is playing in building the defences of the free world through NATO. I am proud of our contributions to what I regard as the equally important and more enduring additions to the structure of peace through the United Nations, the Colombo plan and other agencies of economic co-operation.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, the hon. member who has just preceded me is something like the Minister of Trade and Commerce, who tries to tell this house that the opposition considers a big wheat crop is a calamity. Such a statement is very far from the truth. We consider abundant crops to be of great benefit to the people of this country and they should be of great benefit to the world. But when we see a recession in the areas where the people produce those crops; when we see the rest of Canada enjoying great prosperity while the people engaged in agriculture on the prairies are suffering recession caused by increasing costs and inability to deliver their grain or sell it because of the maladministration of this government, we say the calamity is the government.

I might say that the hon. member who preceded me does not read nearly as well as the minister does in presenting his case. The hon. member also referred to the fact that Canada is enjoying unprecedented investment in industry. We are enjoying an unprecedented peacetime boom because of terrific government expenditures in defence and defence contracts, and also tremendous investments coming from the great giant that lives to the south of us on this continent, the United States.

On other occasions I have referred to the danger facing Canada because we are living on the same continent with this very wealthy nation of 160 million people. I have referred to the danger that faces this small country because that great country to the south, with all its wealth, can move in here and buy into and absorb Canadian industry through their subsidiary companies in this country and gradually obtain control, economically, of our natural wealth and the industrial life of our nation.

Mr. Trainor: Where would you get it elsewhere?

Mr. Castleden: Why should Canada not be doing this? Why should not Canada be developing her own natural resources? Why should United States firms be doing that? Why does not this government have a fiscal policy which will provide money for investment in these developments, and thus keep these things for Canada?

During his speech the other night the hon. member for Rosetown-Biggar put some excellent figures on the record to indicate the way United States industry was infiltrating into Canada to such a degree as to give concern to many Canadians. I have here another example which may be of interest to the people of Canada. I should like to quote from an article by the financial editor which appeared in the *Globe and Mail* of January 6:

> In Canada three names dominate the soap industry—Lever Brothers, Colgate-Palmolive and Procter and Gamble. From these three giant firms come the three most widely known and used soaps—Lux, Palmolive and Ivory, and there are few readers whose homes will not contain at least some of the products of these companies.
>
> Yet not one of these companies is Canadian, none of them sell shares in the Canadian end of their operations, and not one of them even lists the parent company stock on Canadian exchanges.

They have certainly made the Canadian people soap conscious.

Procter and Gamble, whose headquarters are in Cincinnati, Ohio, has been operating a branch plant in Canada since 1913—43 years. Since the beginning of this operation, the firm that makes soap that is 99 44/100 pure has kept its subsidiary 100 per cent pure, as far as outside ownership is concerned.

And since this is the case surely the time has come for these huge soap firms to share the made in Canada profits with Canada's soap-conscious citizens.

Another article on January 3 referred to a possible change in the control of Algoma Steel following the death of Sir James Dunn. It was indicated that there was a possibility that Bethlehem, the great steel combine in the United States, was interested in purchasing a controlling interest in Algoma, but this will be known only after the will has been disposed of. Take our iron ore deposits, our power, our pulp—

Mr. Garson: Will the hon. member permit a question?

Mr. Castleden: I am sorry, I have not the time. I think every Canadian should be made aware of the rapid increase in United States control of Canadian industry. The ultimate result of this will be political control, and the citizens of Canada should be kept constantly aware of that development. Many people are viewing it with deep concern, and Canadians should know about it.

In connection with the plight of the agricultural producer on the western prairies and this trend which is taking place in industry in Canada, this government deserves censure by the opposition. It is the duty of the opposition to censure the government, and I think that censure is to be found in the amendment now before the house which reads:

We respectfully represent that Your Excellency's advisers, by reason of their indifference, inertia and lack of leadership in the face of serious national problems, including their failure to provide cash advances on farm-stored grain, equal to not less than 75 per cent of the initial price, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces, and their disregard of the rights of parliament, are not entitled to the confidence of this house.

The part of the amendment referring to the failure to provide cash advances on farm-stored grain of not less than 75 per cent of the initial payment is a real fact. I am pleased to support that amendment as representing the opinion of people whom I represent in this house. For three years now the situation has been getting steadily worse, and we in the opposition have pointed out that a continuation of present policies, with the costs of operating a farm constantly increasing, as well as the costs of operating all other businesses in Canada in the face of less returns is something that is causing great concern to those people who operate these businesses. Surely it is elementary that unless those who are operating businesses and farms receive an increased return as a result of their operations they must face bankruptcy.

All kinds of reasons are being presented for the increasing costs of operation of these enterprises. When this government took off price controls in 1947 and 1948 we saw the beginning of a spiral. We in this party stressed the danger of the policy the government was adopting at that time, but we were told that while there might be a slight rise in the cost of living, it would only be for a year or two and then the law of supply and demand would operate and things would level off. But the fact is that since that time the cost of manufacturing and the cost of living everywhere in Canada has increased.

An hon. Member: Not every year.

Mr. Castleden: In what year did they go down? Just take a look at the record. Consider the figures issued by the dominion bureau of statistics, which show that the things the farmer purchases now stand at 241 as compared with 100 in the base period 1935-39. The return to the farmer should also be up by that same amount if he is to escape bankruptcy.

The blame for the increasing costs of operation lies with the federal government. It has been said that it is up to the provincial governments and the rural municipalities, but when the farmer cannot balance his budget then these other organizations cannot balance theirs. The cost of operating a rural municipality is up. It costs two or three times as much to purchase machinery as it did in those early days; labour costs, the cost of materials of all kinds and of everything along the line are up.

The small western merchant is in the same position. The Canadian economy must be constantly expanding if it is to keep up to the increasing cost of operating. The Minister of Trade and Commerce told us the other day that we have nearly as much in the way of grain deliveries as we had in another five-year period, but the minister did not take into account the cost of operation. The farmer must have more for what he produces; he must receive more for his toil. Instead of his returns increasing, they have been steadily declining.

This decline is not just in connection with grain. The minister carefully avoided talking about the decrease in the return the farmer gets for other products. If your cost

of operating goes up and your return steadily declines, you reach the point where your return is less than your cost of operation; and if anybody in this house can tell me that you can continue along that road and not go into bankruptcy I should like to have him stand up and show how it can be done. That is exactly the position in which the farmer is today.

When the farmer is ever faced with some of those other risks which confront him from time to time, such as frost, rust or flood conditions, things are calamitous for him. For 1956 at least, his costs will be even greater. I suggest that in considering this problem we should look to the government as being responsible for these increasing costs. If they place the farmer in the position where he is not getting a sufficient return for his production, then they must accept the blame. Cattle prices are down; some are 60 per cent of what they were in 1951. Hog prices are down 40 per cent, a declining return in the face of increasing costs.

The government know what should be done. Are they going to accept that circumstance, as they should? They have accepted it with regard to butter and have put in floor prices on butter. The dairy farmers are getting some relief, but the dairy farmers are chiefly in the eastern parts of Canada and in British Columbia. The farmers in the prairies produce good butter—good in quality and in quantity—but the economy is not geared to that. The economy in the prairies is geared chiefly to the production of grain. If the farmers of western Canada are going to be forced into the production of butter and the fattening and finishing of stock, then they will have to do that; but I can assure you that will have its repercussions on production in the other parts of Canada. Sales of wheat and the farmers' returns must increase if the farmers are going to continue in operation. It is fear of the future, with the increase in costs and the declining returns, that is causing the uneasiness in the west.

In 1955 we had one of the most abundant crops of high-grade wheat the west has ever produced, but the deliveries were lower than they ever have been for years. The bins are bulging, with millions of bushels of wheat out in the open fields in the western parts of the province of Saskatchewan and in Alberta. There are piles of wheat, but no elevator space for it. When there is space, no cars are available; the cars are somewhere in the United States. Today we are told that there are freight boats waiting on the Pacific coast for wheat cargoes, and the wheat cannot be shipped out. The farmer on the prairies is in desperate circumstances because he cannot deliver his grain. Shipping orders come to the farmer at a local point to deliver grain, but he cannot get box cars.

A very acute situation faces the farmer there. When he goes to town the oil man asks him to pay his bills, and the storekeeper who has carried him through the summer asks him what is going to be done about his bill. He receives notice that his municipal taxes are in arrears, and he sees his land listed in the tax arrears list to be placed in the local elevator. He has 4,000 or 5,000 bushels of good wheat in the granary. If he has no money, it is not his fault. He has worked and produced for a year, and now he cannot get any return for it. What is he to do?

An hon. Member: See the wheat board.

Mr. Castleden: Ask this government what it intends to do about it. To get over the situation he takes some cattle, decreases his herd abnormally and tries to sell. He takes them to the local stockyards and finds about three firms bidding against him, and has to sell his stock at their prices. He raises a few hogs. He is told to raise hogs by the Minister of Agriculture, to turn his grain into cash. What do we find? Instead of the price he used to get a few years ago, with which he might be able to pay his operating costs, he finds the price of hogs is declining until this year it has reached the floor of 19 cents, which is supposed—

Mr. Studer: Two years ago, when the farmer was getting more, you were making the same speech.

Mr. Castleden: I was not here in 1951, when prices were highest. This is exactly the situation in which the farmer finds himself now. You do not like it, but you know it is a fact. You try to blame the C.C.F. for this. I shall deal with the wheat board shortly. The farmer says to the government, "We cannot deliver our grain. You have no box cars. Your transport controller has sent them into the United States, and they are not available. Our costs are going up. We cannot make our deliveries." The Canadian government has sold less wheat. Other three major exporting countries have increased sales. Australia and Argentina increased their export sales of wheat, and the United States gave it away, which is not difficult.

If more wheat is being used in the world, Canada should be receiving a greater share of the market than it is at the present time. It is not the fault of the wheat board; it is the policies of this government which prevent the sale of that grain. The western

farmer knows that. We have the best wheat in the world, and he knows that too. Why should it not be sold? Since there is a market, why are we not getting it? The Minister of Trade and Commerce is supposed to be one of those men who get things done. I suggest he has a job here he has not done, and the farmers resent the situation.

The farmer in this position says to the government, "I am in a jam. I am loaded down with a burden of debt. It is hard to operate. I have the wheat. The value is here. You keep telling me you are going to sell it. Last July you said you would clear out all the old crop before the new crop arrived, but that has not been done. We have the grain. You say that it will be sold in a little while. How about letting us have a little cash in advance so we can operate? The elevator agents could inspect the bins for efficient storage and seal the bins. Properly stored grain is an asset. We shall let you place the advance on record in our permit book so you will be safely covered."

The farmers held protest meetings and agreed to send a delegation to ask the government if it could help them over the crisis. The answer of the government is a gem. It said, "You poor fellows, we shall take care of you. Just run down to the bank and get some more money at 5 per cent. We shall guarantee that not one banker will lose a nickel on it." Who is asking that the bankers be guaranteed? We are not asking for relief for bankers; we are asking for relief for the harassed man who has done his job and is entitled to his wages for a job well done. He is refused those wages because of the policies of this government. That is where the calamity lies; it does not lie in the production. It is a very serious situation, and the farmer resents it deeply.

I will say that the statement in the speech from the throne in which the government, after the house opened in January, finally admitted that it was going to do something about helping the farmer in regard to the carryovers, was welcome. I believe that will have the support of the people, but it does not help the farmer out of his immediate financial position. It does not put any cash in his pocket. Perhaps when this wheat lying in stock for two or three years is finally sold, that assistance from the government will be a saving to the farmer because it will not cost him so much to carry his grain, and he appreciates it.

But surely it was a small, mild and deserving request that the farmer made, that he be given an advance on the good solid collateral he had of the money he needs at the present time to help him over a financial stringency, out of which he cannot get without assistance. He has been placed in this position by this government and is helpless in the situation in which he finds himself. He says, "If you are ensuring that the rest of Canada is prosperous; if you are willing to spend a billion dollars in war contracts in the industrial areas, we too are producing something that could be used for defence purposes and for winning the world to democracy. How about helping us over this situation so we can carry on and continue to produce?" It is the least the government can do for the hard pressed victims of their own wheat policy, but what the government offers them is merely another load upon their backs, another 5 per cent interest. I can tell you that the farmers are deeply resentful at being put in this position.

We had quite an exhibition in the house the other day when the Minister of Trade and Commerce said that because we are advocating advances on farm stored grain we are against the wheat board. What an utterly ridiculous statement for any person to make. To me it is most irresponsible. He knows perfectly well that the C.C.F. party and the farmers of the west stand behind the policy of the wheat board with everything they have. They only got the wheat board after struggling and fighting 40 years for it. The farmers established their wheat pool organizations. They went after the Winnipeg grain exchange and succeeded in closing it.

The line elevators used to buy farmers' grain outright in the fall at depressed prices, at a time when the farmers needed money. They stored the grain, held it at fixed prices in the world market as best they could, boosted the price where they could, and pocketed the difference. When the minister tries to charge us with being against the wheat board I would reply to him that I think the wheat board has suffered more under his policies as Minister of Trade and Commerce than at any other time. The wheat board is a government agency established to handle the farmers' grain and protect them against exploitation by the Winnipeg grain exchange. Of course the setting up of the board has been hard on some of the line elevator companies. Some of them were affected seriously in the years following the commencement of the board's operations.

But who does the minister appoint as transport controller in charge of box cars; the ex-president of the Winnipeg grain exchange. Since he has held that office the allocation of box cars throughout the west has been such as to militate against the wheat pools. Most farmers in Saskatchewan used to deliver their grain to the wheat pool,

but not any more; they could not get box cars.

We tried to find out why box cars were not being allocated to the pools and why they were being sent to the line elevator companies. The farmers had to drive for miles and miles to deliver their grain at all. Space was available in the line elevators because the box cars went to the line elevator companies. For the past four or five years the line elevator companies have been becoming stronger and more powerful. The Saskatchewan wheat pool has been going down so far as the percentage of grain it handles is concerned.

If there is any criticism against the wheat board it is as a result of the policies of the transport controller, one of the members of the board of grain commissioners, whose whole life has been spent in the line elevator company field. He is a man who I believe would like to see the Winnipeg grain exchange re-established. Before that ever happens the farmers of the west will be far more vocal than they are at the present time. They will not be sending only half a dozen representatives to Ottawa. They will fight to maintain the wheat board with every ounce of energy they have. They have not forgotten the way they and their fathers were exploited by the grain exchange for years before the establishment of the wheat board.

Mr. Trainor: They are perfectly satisfied now?

Mr. Castleden: They are satisfied with the operation of the wheat board. It is the operation of the policies of the government that is bothering them. The wheat board could do its job and sell the grain if the policies of the government allowed it to do so. The government should give the board the extra assistance necessary to send people throughout the world to sell the best product we have.

We are in competition with the United States treasury. The western farmer knows that across the line the government guarantees the farmer $2 a bushel on the farm. He sees that there are support prices for agricultural products which at least keep their agricultural areas out of the recession in which we find ourselves in western Canada. The western farmer sees that the United States government are sufficiently interested in their farmers to see that the family farm is maintained in that country as part of the American way of life.

With the continuation of the policies of the government in power today the small farmer is being squeezed out completely, and bankruptcy faces him. If the government do not take some action in the immediate future to relieve the situation they are going to have a revolt on their hands of a kind they have never had before. The farmers of the west are resentful.

I do not know what language the government requires to tell it that the people of the prairies are not satisfied, but I would suggest to the people of the west that the one thing the government does understand is the ballot. Unfortunately the government are sitting here with a vast majority. They do not need to care very much about the pleas of the farmers of the west who rightfully resent the discrimination and callous disregard for their condition.

They look to the government for long-term policies which will alleviate not only the immediate situation but make it possible for them to face the future with some assurance that they will be able to win in the end. They are militant when they see their farm organizations and their wheat board threatened, and they will make their voices heard in no uncertain terms when the opportunity presents itself.

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

Mr. Castleden: Yes.

Mr. Richardson: How many people do you have in your constituency at the moment who are actually bankrupt?

Mr. Castleden: My constituency is in the park area where there are smaller farms. It is not part of the larger area where they have larger straight grain farms. However, I would say that about 80 per cent of the farmers of my constituency are in debt.

Mr. Studer: Bankrupt?

Mr. Castleden: What do you mean by "bankrupt"?

An hon. Member: You should know.

Mr. Deputy Speaker: Order.

Mr. Castleden: I might also say that in the Yorkton area there are about 2,000 people listed at the unemployment insurance office looking unsuccessfully for work. I presume these people are facing bankruptcy.

Mr. Deputy Speaker: Order. Do I understand the hon. member for Yorkton has completed his address or does he wish to call it one o'clock?

Mr. Castleden: May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Castleden: Before the luncheon recess, Mr. Speaker, I was dealing with the serious economic plight of the grain producer in the western prairies. I pointed out how he had been caught between rapidly rising costs of production and operation and rapidly diminishing returns during the last number of years. That is a situation that can lead only to bankruptcy. You do not long continue in business when the returns from your operations are less than the costs of operating. I pointed out that the western producer of grain and other products has a feeling of deep resentment toward the Ottawa government, not only for its failure to allow him some advances on the grain he has produced and for which he can obtain nothing with which to pay his expenses, but also for the fact that it is offering to place upon his back a further burden of 5 per cent in the way of interest on loans.

The action of the transport controller, in his failure to provide box cars to allow the shipment of grain, adds further to his resentment. Then the distribution of those box cars in a discriminatory way, thus preventing the farmer from delivering grain to the elevator to which he wishes to deliver it, further adds to his feelings of disgust. He looks over the record, and he watches the method of appointment of members of the board of grain commissioners. In this house we were given the word of the minister that he had received no recommendation from the Saskatchewan wheat pool with regard to certain men, but correspondence subsequently tabled in the house showed that the Saskatchewan wheat pool had recommended these very people for appointment to that job. This fact only adds to the grain producers' mistrust of the Minister of Trade and Commerce and the administration as a whole.

The charges that have been made to the effect that we were opposed to the idea of the wheat board are completely unfounded. We have always supported it without any equivocation. To the farmer the maintenance of the wheat board is vital. The expansion of the wheat pools is vital to the producers as a protection against exploitation by the Winnipeg grain exchange. With their very last efforts they will fight to maintain the wheat board and see that it is run properly.

The farm organizations have been extremely bitter in their condemnation of the government responsible for present conditions, both as to the cost of production and markets. They condemn the policies of the government during whose regime they have seen an expanding and constantly increasing cost of living through the years and as a result of which they now find themselves caught in a position where they are not able in any way to obtain cash for the products they have to sell.

I emphasize the fact that the problem is not just the immediate one of a few dollars cash. There remains the basic problem with regard to costs of production and diminishing returns. This problem will have to be faced if agriculture is to be saved. We are looking to this government to do something about the matter, but so far we have looked in vain.

I am proud to support the amendment as a condemnation of this government on its failure to take effective action in the face of a real and serious problem.

(Translation):

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, may I associate myself with the previous speakers in this debate in complimenting the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. Both did well by themselves and by their constituents.

Mr. Speaker, the 1956 session starts auspiciously. Because of the high level of prosperity prevailing in the country, and a higher level of employment than at this time last year, economic conditions are generally satisfactory. True, one sector of the economy, agriculture, is going through a rather difficult period. It is a pressing problem which the government will have to face during this session. A situation such as this, however, adds nothing new to the ordinary duties of any government. Managing the affairs of a country is essentially a complicated job. I would imagine that there never was a government without any problem to solve. This government has shown in the past that it is experienced and efficient enough to solve a difficult proposition, and we can trust that it will find the proper solution to our present agricultural problem.

I do not wish to take up the time of the house to point out to hon. members and to the government all the difficulties that beset our farmers. It has already been done, and I am sure others will like to enlarge upon those difficulties, in their own way. May I be allowed, however, to emphasize at this time, a par-

ticular phase of this situation, which has resulted from the changes that have happened was equally beneficial to the consumer. Since thinking of the rural exodus to industrial centres and of the importance of checking this tendency.

We have to realize that nowadays there is a strong flow of population into the cities. Because of higher wages, of shorter working hours than on the farm, and of other facilities normally found in towns and cities, our country people feel more and more attracted to the industrial sectors of our country. We are being told repeatedly that farming no longer pays. Because working the land seems too difficult, it is given up. Everywhere, along our country roads, we see abandoned farms. These young men who leave the country to swell the number of city workers are leaving behind properties that used to be prosperous farm units. They leave without a qualm and without even finding a purchaser. Farms of up to 100 acres of tillable land, with good buildings, are put up for sale for as little as $500, yet they remain unoccupied and unproductive. And this goes on despite the fact that the young people in our rural areas do not know where to settle. In the face of such a situation, what are we to expect for the future of our farm people, whose merits and greatness were so often exalted? Are the noble accounts praising the advantages of country life nothing but fancy or fiction? No. Man's first necessity is to feed himself and his family; and the soil is and remains his sole provider. The land is also a guarantee of moral security. We can at this point repeat those words of writer Henri Pourrat:

> Land, there is man's element; and the tilling of it is man's foremost task. When mortals have attained power, they can think of less simple endeavours, such as manufacturing automatic pencils, writing crime fiction, making streamlined automobiles. That is more wondrous still, with this undefinable touch of insignificance which clings to all human values. Tilling the land remains a greater endeavour.
>
> Man will forever have to deal with winter and summer, rain and sunshine, soil and water, grass, trees, wheat, and the vine. Those are the tangible things. They are simple and lasting things. In the worst calamities, these will always provide a fresh start. After crises, wars, revolutions, after the resounding crash of crumbling civilizations, there will always remain the great silence of nature: the earth that turns soundlessly, clover, rye, oaks living their humble lives, timed on the regularity of seasons.

Can we forget that Canadian history truly began when valiant men cut down trees to clear through the forests a path wide enough to make room for houses? Is it superfluous to state that in rural parishes we find everything that ensures durability and stability? Today, as in times gone by, life on the farm provides a favourable atmosphere where the noblest virtues and the soundest traditions will bloom. Rural life guarantees a strong, well-balanced race, sound in body and mind.

Farmers are cool-headed and thoughtful. They are less easily taken in by rash innovations and dangerous waves of opinion. They saved us many times from moral surrenders which threatened our integrity. True farmers can raise their soul to summits where the real meaning of life is better understood.

Mr. Speaker, those traditions, this deeply religious rural population must be preserved in all its integrity. To that end, the agricultural family must be guaranteed its rightful place. It embodies, on the Canadian scene, factors of strength, of balance and of dignity which heighten and enrich our whole national heritage.

(*Text*):

I wish at this time, Mr. Speaker, to commend the government upon its butter price support policy. Since the introduction of this policy seven years ago it has proven beneficial both to the producer and the consumer. It had the net result of eliminating speculation from the butter market. We often hear it said in certain quarters that this subsidy resulted in creating large and costly surpluses. This, however, is not a true picture of the situation. At no time since the introduction of this measure in Canada have the annual butter stocks exceeded the maximum consumption by more than 5 per cent. This is a small surplus indeed, considering the stabilizing influence of this policy in the marketing of this food commodity. Undoubtedly this support program has permitted the dairy farmer of this country to stay in business. It had its effects, not only on the price of butter but also on other dairy commodities such as fluid milk and cheese, the returns from which are closely dependent on the price of butter itself.

It must be pointed out also that this policy was equally beneficial to the consumer. Since its inception the consumer has been permitted to buy butter at a stable price within the scope of the value of this commodity and the ability of the consumer to pay. The situation is far better than it was before this control measure, when the producer never knew what his returns would be and the

consumer did not know what price he would be called upon to pay for a pound of butter.

It is true that this has resulted, during the past few years, in certain butter surpluses which must be disposed of on world markets at a loss to the national treasury and to the Canadian ratepayer, but it is not long ago that the reverse situation existed. There was a butter shortage in Canada, and in order to protect the consumer against paying exorbitant prices for this commodity butter was imported into Canada. It is only just, therefore, that the dairy farmer also should receive protection when surpluses arise on the domestic market. This can only be done through the measures adopted by the government of exporting these surpluses at current world market price levels. In this respect let me quote from an editorial in the Ottawa *Citizen*, dated November 28, 1955, with which I agree:

> Last summer when some government-held butter was sold to Czechoslovakia at 21 cents a pound below the support price in Canada, there was much talk of the communists being given a "bargain". The same talk is being revived now in connection with the considerably larger sale (through a Dutch importer) to East Germany.
>
> These are no bargains at all. The European countries in question, or any others, could easily buy butter elsewhere at the same figure (37 cents) that is quoted by the Canadian government agency. For the world price happens to be substantially below present levels on this continent.
>
> It is sometimes suggested that if the government occasionally has more butter on its hands than it knows what to do with, the surplus should be disposed of to Canadians instead of abroad. This policy has been followed to a very limited extent in the supplying of butter at cut rates to public institutions; some 4,000,000 pounds have been used up in this manner. But to offer the government surplus to the public as a whole would simply break the butter market, for who would pay the present market price if he thought he could get butter for perhaps 20 cents less?

It is estimated that since its introduction the price support on butter has cost the ratepayers of this country less than one-fifth of a cent per pound. As stated in the above editorial, is this too stiff a price to pay for keeping butter values at a fairly stable level for the benefit of both producers and consumers? Is it too much to pay for helping an important national industry adjust itself to the formidable competition offered by margarine? The farm people of the country are contributing their share in maintaining the degree of protected economy as it prevails in Canada. Most of the commodities they buy from our manufacturers enjoy protection in some form or another. Is it too much to ask that, in turn, the commodities the farmers produce also get a certain degree of protection?

A few days before I left home for Ottawa I had the opportunity of discussing this whole problem with a friend. At the outset of our conversation he thought it was an abnormal situation that he had to pay 65 cents a pound for butter, while our surpluses were being sold to other countries at 37 cents per pound. In the course of the conversation I brought to his attention the same argument I have just brought to the attention of this house. In the end he admitted that the course followed by the government was fair and wise. He felt this was a matter that should be explained to every Canadian butter consumer. My friend admitted he had been led to view the situation unfavourably by certain recent press reports and radio broadcasts. In the light of our discussion he became satisfied that the government's action with regard to butter was fair both to the consumer and the producer.

We on this side of the house, Mr. Speaker, are dedicated to the task of bringing before Canadian citizens the legislative measures of a good, sound government.

Mr. G. W. Montgomery (Victoria-Carleton): Before directing my remarks to the subjects I intend to take up, Mr. Speaker, I should like to take this opportunity of extending congratulations to the members of this house who have been elected for the first time. I hope they will enjoy their labours in parliament and their associations with the rest of us, and will receive the recognition they deserve from this government as the elected representatives of their constituents, regardless of the party to which they belong.

I would not miss this opportunity, Mr. Speaker, of extending congratulations to the mover of the address in reply to the speech from the throne, the hon. member for Timiskaming (Mrs. Shipley). She deserves those congratulations and the honour which was given to her. As the speech from the throne indicates, there will be legislation this session to give women equal pay with men in industries under federal jurisdiction. I think it was only right that she should receive the honour to speak first on that issue on behalf of the women of this country.

In justice, I feel I must also mention one of the outstanding Conservative lady members of this house, who deserves congratulations for having pressed this matter so vigorously in the last few years that she has convinced the government that the time has come to introduce this legislation. She will get due credit for it. Last, but by no means least, I should like to congratulate the seconder of the address in reply to the speech from the throne, the hon. member for Bellechasse (Mr. Laflamme), who spoke easily and well. I am sure he will prove to be a good representative of his constituents.

There are several matters, Mr. Speaker, with which I could deal. Like most hon. members I am chiefly interested in matters which affect my constituents. I listened with great interest to the speech of the hon. member for Kent (Mr. Michaud), who just took his seat, particularly his remarks with regard to butter. I also read with interest the speech the other day of the hon. member for Westmorland (Mr. Murphy). I congratulate him on his remarks and also the hon. member for Gloucester (Mr. Robichaud). If this government does not wake up and take a warning from these hon. members who are supporters of the government, it will be in trouble.

If the members of the government read the speeches of the hon. members from New Brunswick they will know that everything is not well in that province. These hon. members would not be rising in their places and criticizing the government and trying to point out that improvements could be made if they were not giving the views of their constituents. It is pretty nearly time, Mr. Speaker, that somebody supported the opposition in this house, who for the last few years have been pointing out that the problems of agriculture and of various other industries have not received the attention they should have received in the interests of the agricultural people of the country.

My chief concern is agriculture, and I am going to direct my remarks chiefly to that industry. It makes no difference whether the agriculturist is in the west, whether he is a wheat grower, a dairy farmer in the central part of Canada or in some other part of the country, a small farmer, a vegetable grower, or whether he is a potato grower in my constituency, in Prince Edward Island or in British Columbia; the financial position of the farmer today is serious, and it is serious all over the country. It is time this government paid a little attention to what hon. members are saying, both their supporters and members of the opposition. They have been given fair warning.

The production of food is a very important industry. When the farmers are prosperous the whole economy of the country is stimulated. When the farmers cannot sell their products, and in addition cannot get anything for their labour because markets are limited and prices are low, then there is something wrong, particularly when there is a market in this country for the produce grown by the farmers.

The past two years have been abundant years. Crops have been good; yields have been larger than usual. This has been the situation of the industry in my section of the country, in Prince Edward Island, in other parts of Canada and in the United States. We had a larger crop of potatoes last year than usual, but we are hearing so much about surpluses in this country that we are kind of getting tired of it. With the exception of wheat, Mr. Speaker, I do not think any surpluses are grown.

According to the facts presented before the tariff board in this city last July, more potatoes are consumed every year in Canada than are grown; therefore we have no surplus of potatoes in this country so long as our own people can consume them. But what do we find? Owing to the policy pursued by this government—and we cannot convince the Minister of Agriculture that it should be changed—we find that we have no access to our own markets. We have no access to our own markets chiefly because those markets are supplied by foreign products, which are allowed to come in here in competition with our own farmers' produce.

We are not growing more potatoes than are necessary in Canada. Our own people want those potatoes. They need them and they can consume them. The only reason they are not getting them is that the consumer buys where he can buy cheapest, and we are in competition with a foreign country. The producers of potatoes in a foreign country are permitted to dump their products in here. In many instances they have a shorter haulage distance. According to statements made to the tariff board, they are more efficient growers. The efficiency of the United States potato grower results from the policy followed by this government. That is the answer.

When you protect an industry that industry can grow bigger, and the bigger the industry grows the more efficient it becomes. In my constituency we have just as efficient potato growers as are found in the United States, when conditions are similar. The efficiency of the United States potato growers has resulted from their protected market and their quota system. If we were given a fair chance in our own Canadian markets our potato growers could grow potatoes just as efficiently, and they are doing it in some places.

Potatoes are vital to our economy. It is only right that I should place the feeling of the people of my constituency before this House of Commons, because they do not believe they received a fair deal in the last season. In the first place, no farmer in this country of plenty should be asked to work, to labour and to gamble on his crop, and then take a chance on what he may get out of it, when everybody else around him is protected. Industry of all kinds in this country is protected. The gold mining industry is protected and subsidized to the tune of many millions

of dollars. But what happens to the potato growers in the eastern part of the country? The rest of the country needs those potatoes, and that has been the hue and cry ever since the days before confederation. The inducements held out to New Brunswick, Nova Scotia, and the rest of us in the maritime provinces to come into confederation were that trade would be encouraged east and west instead of north and south. We were promised that if we would come into confederation we would be given the opportunity to take our products into the markets of central Canada in competition with goods produced and grown there.

It all comes down to one thing, and that is that the transportation problem between the maritime provinces and central Canada is something that should be looked after by the federal government. It should not be left to the railroads to fix their rates at the point where they pay. It was never anticipated that we would have to pay heavy freight rates on long hauls in order to place our goods in the west and encourage east and west trade, or that we would be in competition with a foreign country which is dumping its goods in this country at prices less than the cost of production. For a time this year they were able to ship in potatoes as Canada No. 1 grade when they were smaller than the potatoes we were allowed to ship as Canada No. 1.

In making the final arrangements, because of the policy which has been forced upon our farmers the producers of potatoes must carry back home culls to a greater extent than they should be asked to do. The only market for culls is the starch factory, or to be used as feed.

I notice the Minister of Agriculture is not in his seat, but I should like to ask his parliamentary assistant or anyone else on the government side why it is that you can go into a government hotel like the Chateau down here and get table potatoes which are smaller than Canada No. 1. Those potatoes are not 2½ inches in diameter; I do not think they would average more than 2 inches. Why are they being purchased as Canada No. 1? Why is the restaurant upstairs using potatoes that would not measure up to the size of Canada No. 1. Where are those potatoes coming from? It looks to me as though the United States can ship in any size they want while we have no protection whatsoever.

I am glad the Minister of Agriculture has come into the chamber, because I have a few words to say to him and I hope he will harken to them. They are not critical words, but when they are interpreted I think he will realize what the people down there are thinking. This potato situation was known in September, but because of the policy this government was following, because of the increased yield in the United States as well as in Canada, because United States potatoes were coming in here during the early part of the season as Canada No. 1 when they were smaller than what we could put on the market as Canada No. 1, our producers and potato dealers tried immediately to get in touch with the Department of Agriculture in order to have a conference so that something might be done to relieve the situation which the farmers were facing. They could get nowhere.

Mr. Gardiner: We had two conferences with them.

Mr. Montgomery: I do not know whether it is the minister's fault and that is why I am speaking to the minister directly. There was no conference arranged. Wire after wire was sent to the Minister of Labour (Mr. Gregg) who represents New Brunswick, and we presume word was sent from him to the department, but still no conference was forthcoming. There was no conference until around December 18. If I am wrong I should like to be corrected, but that is the information I have. Following that conference there was a further conference.

Mr. Gardiner: My friend says he wants to be corrected and he is putting this on *Hansard*. At the moment I am not sure of the other exact dates, but there certainly was a conference during the first week of December. There was a discussion earlier than that, but during the federal-provincial conference, which was held in the first week in December, there were a number of discussions on the question.

Mr. Montgomery: As I understand it, during the first week of December the ministers of agriculture of the different provinces met in Ottawa with officials of the Department of Agriculture.

Mr. Gardiner: Members from New Brunswick and Prince Edward Island governments had separate discussions with the Department of Agriculture officials, at which I was present.

Mr. Montgomery: That was not granted at the request of the potato men. As I understand it, that was the first time the matter was brought to a point where all the parties could discuss it. The first meeting after that at which the potato growers and potato dealers could give their story and review their case was very close to December 18, if it was not on that date. Following that there were further discussions, and then the program of diversion was pronounced some time around January 4 or 5.

Going on from there I should like to know why the program has not gone into effect even yet.

Mr. Gardiner: The hon. member will have to go down to New Brunswick to find out.

Mr. Montgomery: I have just been down to New Brunswick and the government, as I understand, has yet to tell the people and the potato growers what they are prepared to do. There is just one thing they said they would do; that is, to guarantee $1 a barrel, but they did that after the market price of potatoes was $1.25.

Mr. Gardiner: My hon. friend apparently does not understand it. I have the order in council in front of me which was passed a considerable time ago. It is not $1 a barrel of 165 pounds of graded potatoes, it is $1 a barrel for potatoes of garden run taken to the plant. The $1 per barrel is paid on that basis, which is an even higher price than my hon. friend has indicated.

Mr. Montgomery: I suggest that the minister inform his officials in New Brunswick, because that is not what they are telling the potato producers in New Brunswick.

Mr. Gardiner: It is they who told me.

Mr. Montgomery: I hope the minister can furnish me with a copy of that order in council, because that certainly is not the information being circulated. It is $1 per barrel of 165 pounds of Canada No. 1.

Mr. Gardiner: No, it is not.

Mr. Montgomery: That is what I would like to have information on.

Mr. Deputy Speaker: The hon. member must realize that he is taking part in a debate, and that this is not a time for questions and answers.

Mr. Gardiner: I will send this over, and my hon. friend will note that it is $1 per barrel of 165 pounds for potatoes spot graded. That means it is $1 per barrel for the potatoes as they are taken in to be graded afterward.

Mr. Montgomery: I am afraid the minister would not agree with some of his potato inspectors. We will leave that, and time will tell whether the minister or the inspectors are right. I hope the minister is right, because that would be an improvement over the information that is being passed around.

Mr. Gardiner: That is the recommendation to council and it cannot be anything else but right.

Mr. Montgomery: That was my interpretation, and I appreciate the information the minister has given. I do want to say a word about the program. This government should have a policy governing potatoes. New Brunswick grows approximately 20 per cent of the potatoes grown in Canada, and Prince Edward Island is also a large producer. My constituency and the fringes of my constituency grow from 75 to 80 per cent of the potatoes grown in New Brunswick. This industry is vital to us, and we submit that there should be a potato policy, just as there is a wheat policy or any other kind of policy. That potato policy should be such that it would automatically come into effect when the price is so low as it was this year.

No two farmers may agree exactly on the cost of production. Some will tell you it is $1.75 a barrel, some will tell you it is more, some less. But I think it is fair to state that our largest and most efficient growers claim—and this corresponds with the growers in the state of Maine, who are large growers—that one cent a pound is a very fair average. That means $1.65 a barrel. When the government has guaranteed a price of $1 they are guaranteeing only 36 cents a bushel, which is just slightly over half the cost.

Mr. Gardiner: On what we are talking about, it is 42 cents a bushel.

Mr. Montgomery: I shall concede that if the minister's interpretation is the correct one it will come to about 42 cents a bushel. But here is the worst part of the program, and this is where our people feel hurt. It is too late coming into effect. I do not know whether the minister or members of this house realize it, but potatoes are a product that cannot be handled like grain or some other products. They must be put into storage before frost comes. If there is no storage they must be sold. The minute they are frozen they are a loss.

Second, these farmers have to gamble when they put in their crop. Many of them have to borrow for their fertilizer. They have to work all summer. They have to buy their sprays and a good deal of costly machinery, which involves large capital investment. When harvest time comes they must try to sell enough potatoes to pay part of their bills, because they have to live. They have to pay their grocery bills, clothing bills and so on. They need money; some need it worse than others.

In a fall like the last one, many farmers have to sell their potatoes at 65, 70 or 75 cents a barrel. A barrel is 165 pounds. When the farmer was selling potatoes at 65 and 70 cents a barrel he was losing about 90 cents a barrel on the cost of production. Had

this program come into effect when it should have, on October 1, it would have saved a great many men heavy losses.

That is what our potato producers have been trying to impress on our government for a number of years. From hearing some of the other members speak it would seem that they have heard some of the potato growers and dealers in New Brunswick talking. Some of those people were very strong friends of this government a very short time ago, but I do not think they have the same feeling now that this government is doing all it can for the people in the potato business. The people who really needed that help were the people who had to sell between October 1 and November 5, the latter being about the latest date in any year that one can take a chance on keeping potatoes, even on ground floors. Those who need money have to sell the potatoes right out of the fields. How can the economy of any constituency or any part of the country be kept up when the producer, who has worked all summer, has to sell his product for 90 cents less than it cost him to produce it?

There is another matter to which I would like to refer. Unless I am wrong this program terminates on April 30. It has not yet gone into force. Up to the night before last no potatoes had gone into starch under this diversion program, and I doubt that any will be going in under this program for another week or so. That leaves the months of February, March and April as the only three possible months in which this program will have any effect. I should like to tell the Minister of Agriculture and the members of this government that a program that stops at the end of April is not going to have the beneficial effect it should have.

These people down east do not feel they are coming here and asking for a handout. As has been mentioned before, because of pre-federation agreements these people are asking for an adjustment for unfair treatment. There are many ways in which such an adjustment can be made. There are no complaints through the country when the government subsidizes the freight charges on coal, when it subsidizes or helps to pay the freight on grain from the west to the east. If the federal government were to live up to the pre-federation agreements it would help to pay the freight on potatoes from the maritime provinces to central Canada. That would be only living up to the trade your forefathers made, when we were supposed to be able to place our products in central Canada in competition with the markets here.

We are not getting that privilege. We have a right to ask the federal government for it, and the federal government has a right to take out of the treasury the money to pay the difference in freight rates if we cannot place our products on the market at competitive prices, so the farmers can recoup the cost of production. That should be a policy that would work both ways. We do not come here asking this government for any other assistance.

To summarize what I have said, this government has procrastinated. It had plenty of warning. I know myself that wires were sent to the department in Ottawa, to the Minister of Labour, and that representations were made by the secretary of the horticultural council of Canada. Everybody was working to try to arrange a conference.

Mr. Gardiner: My hon. friend has referred to this and he has also referred to the fact that I am sitting listening to him. I want to tell him that there were conferences. I do not remember the exact dates, but conferences were held with those people. What they were interested in at that time was not selling potatoes for starch. Proposals were sent to them, but they did not accept them.

Mr. Montgomery: I would be glad to listen to the minister make a speech later and explain all this, because he has a good deal of explaining to do.

Mr. Gardiner: I shall not waste my time now answering and explaining it to you. I shall take it up with the right people.

Mr. Drew: Little Caesar.

Mr. Gardiner: I have already explained it fully to those people, and they do understand me.

An hon. Member: He has plenty to explain.

Mr. Montgomery: I do not think the minister himself really understands the situation we are in there. Otherwise I do not think he would be so hard-hearted that he would not do something for these people.

Mr. Gardiner: I met them three or four times. I do not know how many more times I should have met them.

Mr. Montgomery: We farmers have lost a good deal of money as the result of a program which now appears to be very late in coming. It seems to me this government should have decided how much it was going to contribute to that program, and let the farmers or the starch producers know at once.

As I have said, in summing up, what I should like to impress upon the minister is that this is not going to be the last season.

It has not been the first. Two years ago a marketing board was found to be not satisfactory by any means.

Nobody blames the government for not wanting to go into that sort of deal again with the same type of people handling it. Nobody wants that. But you will find that most of our farmers want a square deal. They want a program that will be operated openly, aboveboard and honestly so that a few cannot take advantage of many others. That is all I wish to say about potatoes, but I thought I should concentrate more on that subject because we are being hurt most in that field.

We want the government to continue its support of the dairy industry. We are not satisfied with any explanation offered yet regarding the disposal of surplus butter. We also believe there would be no surplus butter in Canada if our own people had the opportunity of consuming it. I am not so fortunate as the hon. member for Kent (Mr. Michaud). If he can explain to his constituents that the present policy is a proper one I commend him. He is a smart boy. It cannot be explained that easily in some other parts of New Brunswick, and I doubt if it can be explained that easily in some other parts of Canada.

If there is any charity involved I think charity should begin at home, and a lot of other people think so too. We are forcing a great many people to eat margarine, which may or may not be as good as butter; but why should we protect one product and not allow our people the opportunity to have the other product?

I am not going to take the time to tell the government how the surplus butter can be dealt with. There are difficulties in the way, but I know there are people in the Department of Agriculture who are smart enough to handle the situation so that the poor people of the country may have the opportunity of eating our butter instead of margarine, and be able to buy it at the same price. It would not affect the marketing of good butter at all.

I should also like to deal shortly with the C.B.C. I do not intend to say much because the hon. member for Westmorland (Mr. Murphy) did so the other day so much better than I could. If the government feel that the Canadian Broadcasting Corporation is doing the best job that can be done so far as television programs are concerned, then all I have to say is it would be a good thing if the C.B.C. would get out of the field and hand it over to somebody else. Even a bunch of amateurs could put on better programs than we are getting in New Brunswick. They are a disgrace, and should not be shown on television screens. If anything will lead to more delinquency it is some of the programs that are being shown, and I commend the hon. member for Westmorland for what he said the other day regarding this matter.

The only other point I wish to mention has to do with income tax. I think there should be changes in the act so our farmers will be shown a little more consideration for the efforts they have made in trying to keep books. I am not an auditor, and I do not wish to criticize the income tax officials too severely. I have found them most co-operative. They will almost bend over backward in an effort to live within the law and the regulations, but the law should be changed. I pass on this suggestion to the government for consideration, because I am not the only one who has encountered this situation. There should be a change so that honest farmers who are trying to keep books will not be told by the field man when he comes around that their books are no good and cannot be accepted.

Most of these farmers are not too familiar with keeping books. They know pretty well what they are doing, and most of them are honest; nevertheless the field man will say he is not satisfied and he will ask a lot of questions and get the farmer mixed up. The farmer may then get mad and refuse to answer any more questions. Thereupon the field man goes back to his office and issues an arbitrary assessment. It may not be too much in some cases, but in other cases the amount is large. Regardless of the amount the farmer says, "Well, what can I do about it? You cannot fight the government." The farmer pays it if he can. I do not think that the government intended that the act should be administered in that way. I believe the matter is worth looking into, and adjustments of some sort by way of amendments to the act should be introduced so that any reasonable set of books will be accepted as sufficient.

Then the officials will not make a farmer feel that he is guilty from the moment they walk in the door, and that the only way he can get out of the situation is to prove himself innocent. That is the impression that is given, and it is wrong. I know that many departmental officials do not want that to be the case, but that is the impression that is getting abroad. I am satisfied I am not the only member who has met with that situation.

Mr. Gardiner: On a question of privilege, just before I came in I believe the hon. member referred to the fact that neither I nor my parliamentary assistant were in the house. I am sure the hon. member would not want the impression to go abroad that my parliamentary assistant is not usually in the house.

He is in the hospital at present and is not able to be here. I do not think there is any member who attends more regularly than he does, and I should like to make that explanation.

Mr. Montgomery: I hope my remarks did not sound the way the minister has taken them. I just mentioned the fact that neither one was here. I am very sorry that the parliamentary assistant is in the hospital. I addressed my remarks to any other members of the government who were present in order that they might convey any information they thought was worth while.

Mr. Speaker: Earlier in his speech today the hon. member for Victoria-Carleton asked why the parliamentary restaurant was not buying No. 1 Canadian potatoes. Matters coming under the jurisdiction of the Speaker are not usually dealt with in the house except during the consideration of the estimates. Citation No. 302 of Beauchesne, third edition, is the authority on that point. However, I want to put the hon. member's mind at rest by informing him and the house that the parliamentary restaurant always buys No. 1 Canadian potatoes. Up to last Monday we had purchased New Brunswick potatoes in 25-bag lots at a price of $1.45 a bag. The market this week is $1.85 for No. 1 Canadian potatoes from New Brunswick and $2.40 for No. 1 Canadian potatoes from Prince Edward Island. Therefore we bought No. 1 potatoes from New Brunswick in 25-bag lots. We shall continue to buy No. 1 Canadian potatoes at the best market price.

(Translation):

Mr. Bona Arsenault (Bonaventure): Mr. Speaker, may I first be allowed to congratulate the mover of the address in reply, the hon. member for Timiskaming (Mrs. Shipley), as well as the seconder, the hon. member for Bellechasse (Mr. Laflamme). Both made remarkable speeches and brought upon themselves the attention not only of their respective constituents, whom they represent brilliantly here, but also of the people of their province and of the country at large. I most wholeheartedly endorse the congratulations they have received from their colleagues, in every part of this house, since the beginning of this debate.

The women of Canada could not be better represented in this house than by the hon. member for Timiskaming. On the other hand there are very few of the younger members of this house to whom a more auspicious political career could be predicted than to the hon. member for Bellechasse.

I also wish to congratulate the new members who, a few days ago, took their seats for the first time in this house. I extend particular greetings to four new colleagues from the province of Quebec, namely: the hon. members for Temiscouata (Mr. St. Laurent), for Bellechasse (Mr. Laflamme), for Quebec South (Mr. Power) and for St. Jean-Iberville-Napierville (Mr. Menard). Their presence here is a new and eloquent expression of confidence in the Prime Minister (Mr. St. Laurent) and his government on the part of the people of Quebec.

Our four new colleagues from Quebec have no doubt undisputable merits of their own, but there is one among them on whom I wish to call particular attention, Mr. Speaker, in view of the personal victory he won in his constituency over the combined forces of his adversaries in extremely difficult circumstances and after one of the bitterest campaigns I have been given to witness personally. During that by-election, which won him the right to represent one of the greatest counties in the province, the hon. member for Temiscouata has indeed shown uncommon leadership and thus proved himself worthy of the man whose name he so proudly bears. His victory is due above all to his courage, his purposefulness, his self-control, the confidence with which he inspired the electors in his county, and the dignity he showed while facing fierce and often unscrupulous opponents. The imposing majority given the hon. member for Temiscouata by his constituents in such circumstances should be a lesson to his opponents in the future.

Mr. Speaker, since the start of this debate we have heard a lot about the western farmer.

Though we are well aware of the plight of our western farmers, we must not forget that there are farmers elsewhere in this country, whose problems are quite as worthy of the government's and the people's attention.

This is why I intend to speak to you today, as I have done many times in the past, about our eastern farmers and their problems and, more particularly, of one of their problems, which undoubtedly deserves urgent attention.

If the western farmer grows wheat, Mr. Speaker, the eastern farmer produces butter, apples, potatoes, among other commodities and, more especially pulpwood.

The question of the price and sale of butter has been at least temporarily settled by the setting of a floor price, under the Agricultural Prices Support Act, and by selling part of our surpluses at the world price on various export markets. These two government measures, which have been well received by the main agricultural organizations in this country, more particularly by the Catholic farmers' union, in the province of Quebec, have helped in no small way to maintain the standard of living of the Canadian milk and butter producers.

As far as apples and potatoes are concerned, about which we have just been told by the hon. member for Victoria-Carleton (Mr. Montgomery), we know that large crops have been raised by eastern farmers. In some districts a great many potato producers will have a hard time getting an adequate return on the sale of this commodity, so as to cover their production costs.

That is a problem to which the Liberal government has attended successfully in the past and to which, at this time, it is giving close attention.

There remains the marketing of pulpwood. The farmers and settlers of eastern Canada are large producers of this commodity, cutting almost a million cords a year, providing in this way a necessary if not indispensable complement to the rural economy of Quebec and the maritimes.

True, there is a market for the farmers' and settler's pulpwood, but this market, not always being subject to the law of supply and demand is often given over to the rule that might makes right, or to speculation.

The eastern farmer could partake in larger measure of the prosperity of this country if he were in a position to receive at all times a fair price for his products, more particularly for the pulpwood which he offers for sale every year.

When, because of overproduction, he has trouble getting a fair price for his butter, his apples, his potatoes or his other farm products, he understands the reason for this condition. It is a matter of supply and demand.

What he cannot always understand is that pulpwood, the only one of his products for which there exists a practically unlimited demand, does not bring him a greater return, in proportion, than his farm products for which there is no or hardly any market in periods of overproduction.

In one case, because of overproduction of farm products and the law of supply and demand, the eastern farmer must at times be content with a meagre return for his long days of work. In the other case, that of pulpwood, for which there exists a practically unlimited market, the law of supply and demand seldom comes into play and, in order to provide the necessities of life for his family, the farmer or the settler producing pulpwood, is too often forced to submit to an arbitrary system, in which he still comes out the loser when he is not the victim of obvious exploitation.

It is the province of Quebec which controls the Canadian newsprint industry, with more than half the production for Canada as a whole and, sad to say, it is in the province of Quebec that the bushworker is the worst paid for his labour, and that the farmer and the settler get the lowest price for the pulpwood they market.

The Canadian pulp and newsprint industry reached new records in 1955. Lumber, pulp and newsprint all reached new unparalleled levels.

For the ten months ending November 1, 1955, sales of all forest products to all countries reached the incredible total of $1,265 million, an increase of $145 million over the corresponding period of last year.

During the same period, sales of all Canadian products reached $3,578,200,000, an increase of $393,700,000.

Newsprint production for the whole of 1955 has been estimated at 6,180,000 tons, a gain of $2,588,000 tons since 1945. However great, that increase does not meet a growing demand, particularly in the United States which take up 80 per cent of Canadian production.

The expansion which is planned and some new undertakings will bring the estimated production of our paper industry to 6,200,000 tons in 1956, 6,575,000 tons in 1957 and 6,900,000 tons in 1958.

We have what would be a very good market for all the wood which the eastern Canada farmer and settler could place at the disposal of the pulp and paper companies, were it not for the fact that, in that field, the law of supply and demand is tampered with, directly or indirectly.

In this way, the eastern farmers and settlers would be assured of a fair and well-deserved

compensation for the poor returns from their farms, the products of which are often difficult to market in times of overproduction, as a result of the hard and fast economic laws of supply and demand.

In other words, the prices paid for pulpwood, and more particularly to the farmers and settlers in the province of Quebec, should not be left to the discretion of powerful, though perhaps well-meaning, trusts, nor to the whims of speculators.

The prices of pulpwood bought from the farmers and settlers should, at least in the province of Quebec, be established on a fair basis which any pulpwood producer could understand.

In order to provide that basis, it would be necessary to set as follows the items which enter into the calculation of the price paid to producers of pulpwood.

1. The value of standing timber.

2. The cutting rate, including piling and opening of roads for haulage.

3. The cost of haulage to the points where trucks can pick up and carry pulpwood in normal conditions.

4. Improvement works, upkeep, fees for right of way and damages.

5. The protection, marking out and upkeep of boundaries, fences and forestry works.

6. Unemployment insurance, workmen's compensation board, and fire insurance on timber cut in danger periods.

7. A reasonable profit.

In most areas of the province of Quebec the value placed on each of those items is as follows:

1. It is generally recognized that the value of standing timber is of at least $5 a cord.

2. The cutting rate for farmers' and settlers' timber should always be equal to the minimum set yearly through collective bargaining, for the same work, on the companies' timber limits. For the year 1954-55 that item would have been $5.50 a cord.

3. The haulage rate for settlers' and farmers' pulpwood, at delivery points, should be equal to the average rate for the same operation on the companies' timber limits, which varies with the cost of manual and horse labour. With a cost of $9.50 a day for manual labour and $3 a day for horse labour at the present time, this item would come to $2.50 a cord.

4. Improvement works, the maintenance of tracks, the building of roads, fees for right of way come to 50 cents a cord.

5. Fire protection and prevention; fences, and forestry works implying rational and selective cutting might total $1 a cord.

6. The various expenditures with regard to unemployment insurance, workmen's compensation board, and fire insurance for lumbering operations in danger periods would probably be covered by an amount of 75 cents a cord.

7. A reasonable profit might be estimated at 20 per cent of the total of the first six items, that is $3.05 a cord under present conditions.

When adding the various items of this basic operation, which I believe to be fair and adequate: value of uncut timber, $5; lumbering, $5.50; haulage, $2.50; improvements, 50 cents; protection, fences and forestry work, $1; unemployment insurance workmen's compensation and fire insurance, 75 cents; profits of 20 per cent of foregoing, $3.05, which we believe to be fair; we get for wood marketed by the farmers and settlers a total operational cost of $18.30 a cord at shipping point, that is at the highway or railway station, whereas in various sectors of the province, the same wood, at the same shipping points but cut by pulp and paper companies on crown property would cost them from $19 to $25 a cord and often more.

This obviously does not include the cost of transportation of the wood from the shipping point to the factory, this price varying with the distance.

With somewhat more than a cord of pulpwood it is possible to manufacture a ton of newsprint. The cost of producing a ton of newsprint in a modern mill is approximately as follows:

Wood: mechanical wood pulp, 86 per cent, at $32 per cord ..	$ 27.52
chemical wood pulp, 14 per cent with 50 per cent yield	8.96
Water: 0·12 per 1,000 gallons	2.40
Steam	1.45
Power	5.40
Labour	7.50
Maintenance	2.80
Administration	2.25
	$ 58.28

To which should be added indirect costs such as:

Overhead	$ 8.90	
Debt retirement	3.60	
Insurance	0.40	
Interest on capital	0.30	
Selling agency	2.00	15.20
		$ 73.48

As far as the selling price of a ton of newsprint is concerned, the mills receive $117 a ton in Quebec and $111.60 in New York after subtracting transportation costs which bring this price to $126. This leaves the paper mills a margin of net profit of between $35 and $40 per ton of newsprint.

During the winter of 1954-55 pulpwood was bought from the farmers and settlers of Quebec at $10 or $11 on the average per cord of 128 cubic feet at the shipping point, that is $7 or $8 less than the production costs as appearing in the items I have just brought to your attention. In some localities, settlers received as little as $7.50 a cord for their wood.

Thanks to the representations made by the Liberal members in this house during the previous session on behalf of the pulpwood producers of the province, and to the educational campaign conducted during the summer and the fall of last year by the forestry section of the Catholic farmers union, under the leadership of Mr. Samuel Audette, forestry manager of the UCC federation, the prices of pulpwood were increased on the main by $2 to $3 a cord in the province of Quebec to reach an average price of $12 or $13 a cord and sometimes more.

However, as can be seen from the breakdown I just gave, these prices are still far from sufficient to cover the cost of operation and insure a small margin of profit to the producers of pulpwood.

Several pulp and paper companies have, however, given evidence of their will to cooperate, and have shown themselves anxious to contribute to the solution of this important problem of the rural economy of our province.

Negotiations are at present being carried out on this matter between officers of the Catholic farmers union and representatives of the pulp and paper industry. Moreover, on January 17 the executive of the Catholic farmers union submitted a brief to the Hon. J. S. Bourque, minister of lands and forests of the province of Quebec, on this important matter.

[Mr. Arsenault.]

The Catholic farmers union requested the establishment of a minimum average price of $20 for an apparent 8 foot by 4 foot by 4 foot cord of good commercial grade resinous wood and of varieties at present accepted for the manufacture of pulp and brought to a carriage road.

Moreover, the Catholic farmers union has asked that the felling rate on crown lands be such as to permit the buying of wood from the woodlots of the farmers. In other words, the C.F.U. wants a legislation identical with that existing elsewhere, for instance in Ontario since 1937, authorizing the province not only to set the minimum price to be paid the farmer or the settler for his pulpwood, but also to fix the quantities of wood which the pulp and paper companies would have to buy from the farmers and the settlers, having regard to their other sources of supply.

The Hon. Mr. Bourque answered that the request of the C.F.U. would receive consideration, but he suggested two ways of improving, according to him, the situation of the farmers and the settlers who sell pulpwood to the companies.

Farmers, he said, should not cut an inch of wood before they have a sale contract, and they should also get together to fix the price and stick to the price they fix.

Anyone who knows anything about the vast problem of marketing pulpwood by the farmers and settlers, will admit that, on the face of it, both solutions suggested by the minister are unrealistic, impractical and unacceptable, if not ridiculous.

It is indeed very much to be regretted that the hon. minister of lands and forests of the province of Quebec does not seem to realize that, without some action by the provincial government, or the goodwill of the companies, thousands of small pulpwood producers will continue to be unfairly treated because most of the pulp and paper companies dispose of endless woodland resources in the province, and are using or abusing this privilege, by maintaining the low prices that prevailed for the past few years for pulpwood marketed by the farmers and settlers.

As the province of Quebec has sole jurisdiction with regard to the crown lands, it is up to the provincial government of Quebec to put some order in those conditions.

(Text):

Mr. Victor Quelch (Acadia): Mr. Speaker, since wheat marketing is one of the main

subjects of discussion in western Canada at the present time, and since I represent a constituency that is predominantly agricultural, and one that contains some of the very best wheat land to be found in western Canada, I intend to confine my remarks mainly to the subject of wheat marketing.

We in this group intend to support the C.C.F. subamendment which criticizes the government for their failure to make advances against grain stored on the farm. That does not mean that we agree 100 per cent with the details of the subamendment, but on the other hand it does mean that we are 100 per cent behind the general principle contained therein, namely, that advances should be made against grain stored on the farms. Some hon. members may recall that two years ago we had a resolution on the order paper to that effect. I am not worried in any way by the suggestion made by the Minister of Trade and Commerce (Mr. Howe) that support for that subamendment will be regarded as opposition to the wheat board, since a suggestion of that kind is too nonsensical to need any reference to it. I merely point out that as conditions change, so is it necessary to amend legislation to take care of those changing conditions.

As a result of the congestion of wheat, we feel that advances against grain are essential. The minister claims that support for that can be reckoned as a criticism of the wheat board. Well, if that argument holds water, then the government's action in making a proposal to make loans to the farmers against their grain on the farm would also have to be considered as a criticism of the wheat board, and the government's suggestion to pay storage charges would also have to be considered as a criticism of the wheat board. As I say, the whole charge is ridiculous. As conditions change, so will legislation have to be passed to take care of those changing conditions.

Before dealing specifically with wheat, I wish to make a few comments on general agricultural policy. In the past, our three main points in that regard have been that there is a need for adequate support prices. First of all, the government should maintain adequate support prices on all farm products. Second, there is need for an expansion of markets, both in the domestic field and in the export field. Third, there is need for an all-risk crop insurance program.

The justification for the first of those points has been emphasized time and again in this house by members of this group and members of other opposition parties. From time to time we have emphasized the fact that in the post-war years, as a result of government policies, farmers were compelled to accept for their farm products prices that were less than world market prices. In consequence of that, the prime minister of the day, Mr. Mackenzie King, stated that since farmers were being compelled to accept less than world market prices to maintain the price ceiling, the government would maintain a floor under agricultural prices after the war as part of a general stabilization program. Therefore, when the farmers ask for support prices today they are not asking for a handout in any shape or form; they are merely asking that the government live up to their promises and because the farmers have already paid for these support prices by accepting considerably less than world market prices during the war and in the post-war years. Those policies cost the farmers of Canada many hundreds of millions of dollars. So far, all that has been spent on support prices is a sum in the neighbourhood of $20 million. It is true that another $60 million odd was paid in regard to foot-and-mouth disease, but that has nothing to do with support prices. It was paid to deal with an emergency of the day. Therefore, we feel that the farmers are fully justified in asking for adequate support prices today. Well the government did keep faith to a certain extent by passing the Agricultural Prices Support Act.

I have always supported the Agricultural Prices Support Act. I think it is a good act. My only criticism would be that the government does not make as good use of that act as it should. Secondly, some of those support prices are not as high as they should be under the government's own formula. Under the government's formula they use 1943-44-45 as the base year. According to the agricultural prices support board, some of the support prices today are not as high as they should be on the basis of that formula. I quoted figures in the house last year to prove that point, and I do not wish to take the time to deal with them now.

The method of applying support prices may vary, of course. We in this group have suggested from time to time that they should be applied through a two-price system. A two-price system can be fully justified and it cannot be regarded as a hardship upon any class of society. It is just as well to recogniz

the fact, that the secondary industries have been using the two-price system for years. When a secondary industry sets prices, it sets a price in the domestic market at a level that will return it a fair profit. So far as exports are concerned, it sells at the best price it can receive, and on many occasions the price the secondary industry receives for its exports will actually be less than the price at which it sells at home. That is especially true of farm machinery.

The two-price system simply means this. Farm products consumed in Canada would be paid for at parity prices as defined in the Agricultural Prices Support Act. To the extent that they are surplus, those surpluses would be exported abroad and sold at the best price that could be obtained, preferably by an international agreement, but supported by a reasonable floor to protect the farmer against a complete collapse of the market and guarantee him at least the cost of production.

At this time I am very glad to congratulate the C.C.F. on changing their policy in regard to this question. It will be remembered that last year they criticized me quite severely for advocating a two-price system. They said that they would not support it because they would not take anything less than 100 per cent parity. But already in this debate a couple of their members have supported it. I for one will not criticize them; in fact I should like to congratulate them upon their change of policy. I suggest that as long as they keep their policy parallel to ours they will not be liable to make a mistake.

I know there are some who say—I think the hon. member for Rosthern (Mr. Tucker) took this stand last year—that it would not be fair to the Canadian consumer to charge him more than was being charged to people in other countries. In the first place, if the farmers were asking a support price which would give them an exorbitant return I would agree with the hon. member 100 per cent. What is the farmer asking for? He is asking for a parity price based upon the Agricultural Prices Support Act. What does that act guarantee? That act guarantees to the farmer a price that will bear a fair relationship to the prices of other commodities and to wages. Is anyone in this house going to argue that the farmers of Canada are not entitled to a price that bears a fair relationship to the prices of other commodities or to wages paid in other industries? Surely no one would suggest that the farmer should have to accept less than that, especially when he has paid already for that protection by subsidizing the Canadian consumer in the post-war years, and our allies as well. Our farmers have paid for that protection and they are fully entitled to receive it.

In so far as the export price is concerned, by all means let the farmer receive parity if that is possible; but we in Canada have no control over the price that may be obtained for goods we ship to other countries. We can only try to get the best price we can. But on the other hand we can control the prices of commodities sold in this country.

We have had this very peculiar situation in the past. Approximately 94 per cent of farm products, apart from wheat, are consumed in Canada with 6 per cent being exported abroad. In the past we have allowed that 6 per cent that is exported abroad to dominate the price for the 94 per cent consumed in Canada. Is there any sense or reason behind a policy of that kind? The secondary industries do not stand for such a policy and it is high time that we recognized the farmer's right to a parity price for the percentage of his production which is consumed in this country.

There is nothing in the two-price system that would prevent the government from distributing surpluses to needy people in this country, to underprivileged people. Yesterday the hon. member for Jasper-Edson (Mr. Yuill) suggested that it might be possible to give some of our surplus butter to old age pensioners, disabled people, blind persons or those receiving some form of social welfare payment. We have advocated that in the past, and have also referred to what was done in the United States during the pre-war days with their stamp plan. Under that plan people receiving social welfare payments received different coloured stamps for different farm products which were surplus. Those stamps entitled them to extra quantities of those commodities with every purchase they made. A similar plan could be used in this country for disposing of butter to old age pensioners, disabled persons or any group of people in the lower income brackets. As I say, the adoption of the two-price system would not interfere in any way with such a program.

We in this group have consistently supported the wheat board as the 100 per cent marketing agency for wheat. In my opinion the wheat board have done a magnificent job in the face of most difficult circumstances. On the other hand, the wheat board are often blamed for government policy for which they are not responsible in any way, shape or form. For instance, they were blamed on many occasions for selling our wheat at less

than the world market price under the British wheat agreement. They were blamed for subsidizing the Canadian consumer by selling wheat at less than the price of class 2 wheat. That was not a policy of the wheat board, it was a government policy which the wheat board had to carry out.

The price received last year for wheat of $1.56 per bushel was altogether too low. It is interesting to note that a parity price on wheat last year, using the base period of the agricultural prices support board, that is 1943-44-45, according to the bureau of statistics would have been $2.27 per bushel. The farmer actually received $1.56. I think the actual price was around $1.70, but the rest of it went into storage charges.

Of course, the farmer did not get the $1.56 because out of that transportation charges had to be paid. Then again, that was for No. 1 wheat, whereas a large percentage of the wheat was 3, 4, 5 and 6. I would say that the average price received by the farmer would be nearer $1 than $1.56. I know of many farmers who are selling their low grade wheat today for around 75 cents per bushel.

Perhaps I should not publicize that fact, but it is something that is generally known. They owe the machine companies as well as other business concerns. A businessman may make a deal between a farmer and a feeder up in Edmonton or Calgary to sell his wheat. The businessman gets his debt paid, the feeder gets the wheat, and the farmer sells it for around 75 cents a bushel. The balance goes to pay the trucking charges from the farm to the feeder. Provided the deal is made directly between the farmer and the feeder I do not think there is any breach of the wheat board act, but if the businessman actually entered into a contract there would be a breach. As long as he merely acts as a go-between I imagine there is no violation.

If we had a two-price system in operation, what would be the effect upon the price of wheat? I am not sure of the exact figures, but we will say that approximately 20 per cent of our wheat is consumed in Canada with 80 per cent being exported abroad. According to the bureau of statistics the parity price for No. 1 on the 1943-45 base would be $2.27 per bushel. Twenty per cent at $2.27 and 80 per cent we will say at the average of the high and low under the international wheat agreement, which would be $1.70 per bushel, would give an over-all support price of $1.81 per bushel.

I mentioned that figure when I spoke in the house last spring and I was interested to note that about three months later when the United States announced their new support price it was set at $1.81 per bushel. I am not suggesting that there is any connection between those two prices; it was purely accidental, but it was interesting to note that when we were working on the support price we arrived at exactly the same figure at which the United States arrived later on.

A price of $1.81 per bushel is still well below a parity price of $2.27, but I think generally speaking the farmers would be quite satisfied to receive a support price of $1.81 per bushel. There is no support price under wheat today. Some people get confused on this subject and say that there is a support price of $1.40 per bushel. There is no support price of $1.40 per bushel. There is all the difference in the world between an initial payment of $1.40 and a support price.

A support price is for the purpose of preventing the price falling below a certain figure. What is an initial payment? The Minister of Trade and Commerce (Mr. Howe) explained to this house what an initial payment was. He said that it could not be set early in the year because they had to be sure that the price of wheat would not fall below a certain figure before the initial payment could be set because the taxpayers of this country should not be called upon to subsidize the Canadian farmer. So they set the initial payment at a figure sufficiently low to make sure that there will be no loss. How can you possibly call that a support price?

I should like to turn from that to the question of surpluses. It is interesting to note that Mr. Hambridge, who is the F.A.O. representative for North America, when he spoke before the Senate last year, referred to the fact that at the present time over half the people of the world are hungry. No doubt many members have read the speech he made before the Senate. He painted a black picture. In view of that picture, we in this group do not agree that the solution to the problem of surpluses is a reduction in production. Surely the solution must be to find new ways of getting surplus goods to the people in need. I am not suggesting for one minute that it is any easy problem to solve. But that is the problem that has to be solved. Reducing production in the face of want is not the solution.

It is also interesting to note that under the international policies of the Bretton Woods agreement and the Geneva trade agreements we have not been able to solve that problem on an international level. As a matter of fact, world markets would have collapsed long before this if it had not been for the intervention of the United States, if it had not

been for the fact that the United States brought down lend-lease during the war, under which it abolished the dollar sign entirely and made goods available to other nations in return for payment in kind. In other words, it was a form of deferred barter. Then the United States made large loans to foreign nations. Canada also made loans. Then the United States introduced Marshall aid. Members of the government have time and again praised the United States for the program of Marshall aid, under which the United States made dollars available to foreign nations to buy its surplus goods. Hundreds of millions of dollars made available under the Marshall plan were also used to buy Canadian surplus goods. We praised the United States for that policy because it was helping to solve our problem. In 1950 a committee of experts was set up by the director general of the F.A.O. to make recommendations upon ways and means of getting rid of the surplus commodities to the nations that needed them. The six experts appointed to that committee made a recommendation for an international commodity clearing house. Unfortunately that plan was rejected by the members of F.A.O. at a conference held in Rome. It became evident that from then on, as before, each individual nation would have to be responsible for the disposal of its own surpluses.

If I remember rightly, the Minister of Agriculture at that time stated that Canada would look after its own surplus. What the minister should have said was that the farmers would look after their own surplus. It is the farmers, not the government, who have had to look after the surplus, except in the case of butter. The wheat farmers have had to stand the full cost of carrying the surpluses. When the proposal for an international commodity clearing house was rejected, the United States government got busy finding ways and means of disposing of its surpluses. The interesting point to note is that the United States then adopted a policy very similar in part to the proposals contained under the international commodity clearing house proposal. The United States proposed to make its surpluses available for foreign inconvertible currencies. The United States proposed to make its surpluses available under barter. The United States proposed to make its surpluses available as gifts.

I recall that at the time that was first mentioned in the house the Minister of Trade and Commerce pooh-poohed the idea. He said he knew of no nation that would be willing to buy Canadian surpluses in return for their currency. Now the minister is complaining because the United States is selling so many of its surplus commodities on that basis and he is afraid they will be disposing of more and more commodities by that means. Yet two years ago the minister tried to laugh off the suggestion as being very inconsequential.

Now in the United States the government supports the price of wheat at a very substantial level. It advances the price of wheat to the farmer while the wheat is still on the farm and pays all carrying charges on that wheat. Compare that with the policy in Canada. In Canada we place the full burden on the farmer. There is no support price. As I have already pointed out, the interim payment is not a support price. There is no advance on grain on the farm. But the farmer has to carry the whole burden himself. The farmer has to pay all the carrying charges on the wheat. There is quite a difference between our policy and that of the U.S.A.

But that is not all. Not only does the government refuse to accept its responsibilities in dealing with the surplus of wheat, but it then criticizes other nations that are helping their farmers. Canada is in the position of being the only nation in the world that is not helping the farmers by supporting the price of wheat. The government criticizes the other nations for subsidizing their wheat producers and suggests that all other nations should quit doing that and follow the same policy as Canada. Let me quote what was said by our delegate at the international wheat conference, as reported in the Calgary *Herald* of October 27, 1955:

> Canada today warned the international wheat conference here that there will be market disturbances as long as heavy domestic subsidies are paid.
>
> W. C. McNamara, acting leader of the Canadian delegation, said frankly that "too many" countries represented at the conference follow domestic wheat policies which add to the difficulties of exporting countries.

Further on he said:

> "In particular", he said, "there will continue to be market disturbances, more or less serious, so long as wheat production continues to be subsidized as heavily as it is in many countries of the world today, both importing and exporting."
>
> He then turned to the position of Canada's own wheat producers.

Mark this. He is giving this wide publicity:

> "I would remind the delegates that in Canada world wheat prices are domestic prices. The Canadian producer of wheat has not been, and is not being, subsidized."

He told all the other nations of the world that Canada is doing nothing for its wheat farmers in so far as prices are concerned. He criticized them for protecting the wheat growers and suggested that they should stop doing so and get into line with Canada.

This reminds me of the rookie private who says that everybody is out of step but him and wants everybody else to get in step with him. Instead of Canada expecting all other nations of the world to cut off their support of agriculture and do the same as it is doing, I suggest it is time Canada got into line with other nations and supported its farmers as they are entitled to be supported. As an example of what other nations are doing, I might quote the figures given by the *Wheat Pool Budget* last year:

> The government of the United States guarantees farmers $2.24 a bushel for what wheat they market, in Argentina the figure is $2.72 a bushel, in Australia $1.55, in Great Britain $2.22, in West Germany $2.72, in Japan $2.53, in Greece $2.45, in France $2.95, in Sweden $2.28, in Belgium $2.49, in Turkey $2.28, and in Spain $2.72.

In Canada there is nothing, except an interim payment of $1.40 a bushel. What is Canada doing? Instead of realizing it is time it got into line with other nations, it asks other nations to stop helping their farmers and do the same as it does, which is absolutely nothing.

The minister has referred once more to sterling. I do not wish to take very much time in dealing with the question of sterling, but I was amused when he tried to bring in Gresham's law. He tried to apply Gresham's law to the acceptance of foreign currency. What is he really doing when he does that? The minister has the gall to say that all currencies except Canadian currency are bad. That is what he is saying when he applies Gresham's law to the acceptance of foreign currency. I would point out that the currencies of many nations today have a higher purchasing power in their respective countries than Canadian dollars have in Canada.

Then we had a very interesting statement by the hon. member for Vegreville (Mr. Decore). He quoted an editorial from the Winnipeg *Free Press* to try to prove that acceptance of sterling would not be of any help. I suggest to the hon. member for Vegreville that he read the speech of the Minister of Trade and Commerce the day before. What did the Minister of Trade and Commerce say? He warned members against taking any notice of any statement contained in the Winnipeg *Free Press* because he said the Winnipeg *Free Press* is against the wheat board and any statement they make is designed to undermine the wheat board.

I can quite believe that the Winnipeg *Free Press* would be very much opposed to Canada accepting sterling if they thought it was going to help sales by the Canadian wheat board. Naturally they would oppose the acceptance of sterling. The Minister of Trade and Commerce mentioned the fact that Mr. Gordon Bowen of the United Kingdom high commissioner's office had stated that if Canada accepted sterling it would not increase sales of wheat to Great Britain. It might not, but it might increase the sales of other farm commodities. Maybe they are buying all the wheat they can buy. It certainly might help to increase sales of wheat to other nations in the sterling area. But there again we have that very broad statement of the minister. He said "sterling". What kind of sterling? Blocked sterling? Inconvertible sterling?

I can quite agree that Britain would not be interested in Canada accepting blocked sterling if it were blocked so that it could not be spent in Britain, could not be converted and had to be held until such time as convertibility of currency becomes an accomplished fact. Naturally Britain would be opposed to that because it would be just postponing the evil day when that blocked currency would become a demand upon United States dollars. But on the other hand if the proposal is to accept inconvertible currency which will not be converted into dollars but which will be used to buy British goods then I am satisfied that Britain would be quite prepared to support a policy of that kind.

I say that for this reason. Time and again in this country the United Kingdom high commissioner has stated that if Canada will buy more goods from the United Kingdom the United Kingdom will buy more goods from Canada. He has pointed out that Canada has had a large favourable balance of trade with the United Kingdom for a number of years and that as long as that situation continues the United Kingdom will not be in a position to expand its purchases in Canada.

That being the case, all Canada would have to do would be to accept inconvertible currency, use that currency to buy British goods and bring about a greater balance of trade between the two nations. The Minister of Trade and Commerce among others has said that if we are going to accept sterling and then spend it in Britain that is no different from accepting dollars. Let me point out that there is all the difference in the world. If you accept sterling and spend it in Britain you are providing a market for British goods. If you accept dollars and then use those dollars to buy goods in the United States then you are not providing a market for British goods. You are creating difficulties in international payments for the United Kingdom. That, of course, would be a different situation entirely.

My time is running on but I should like to make brief reference to a number of resolutions that were passed in my constituency. In October I received a long distance call

telling me there was to be a conference of representatives of farmers, businessmen, farm organizations and all other interested parties in the western part of the constituency to discuss the wheat situation and I was invited to go to the meeting at which resolutions were to be drawn up to be presented to a mass meeting the following day. I went to the conference and there was quite a large attendance.

A number of resolutions were drafted and the following day a mass meeting was called at which the resolutions were presented. Let me point out that it was not a political meeting in any shape or form. I was not on the platform. There were representatives there from all political parties and it was a very large meeting. I only got into the discussion when people in the crowd asked me to deal with some of the points in the resolutions that were presented to the conference. The first resolution presented reads as follows:

Be it resolved that we ask the federal government to provide for advances to farmers against grain stored on the farms up to half the value of at least 8 bushels per cultivated acreage; and also provide that these advances be recovered by a deduction of approximately 50 per cent of the proceeds of each load delivered.

There was a very prolonged discussion of that resolution and I thought the discussion was most reasonable. First of all, strong opposition was expressed to any form of a loan. They did not want any interest charge made at all. It was pointed out that most of the farmers are already quite heavily in debt with respect to the wheat on their farms and that it would not help them to add another debt to what they already owe. They wanted advances which would help them to pay off some of the debts they have already incurred.

Second, they realized it would not be advisable for the advances to be too large because if the advance was on too big a percentage basis it would require fairly detailed inspection to make sure the farmers had enough wheat to cover the advances. Therefore they put the advance at a very moderate level. First of all they said the advance should be up to 50 per cent of the probable delivery for that year. Then some farmer said, "Well, we have no guarantee there will be any delivery. There might only be a delivery of 2 bushels to the acre, so that is no good." Then they based it upon what the delivery was last year, 8 bushels per cultivated acre, and suggested that the advance should be up to 50 per cent of a minimum of 8 bushels per cultivated acre. I think all members will agree that is quite a reasonable demand. That resolution was passed and forwarded to the federal government.

[Mr. Quelch.]

The second resolution reads as follows:

Whereas at the time the member nations of the FAO rejected the recommendations for the establishment of an international commodity clearing house it was agreed that each nation should be responsible for carrying its own surplus; and

Whereas it is in the national interest that a substantial reserve of wheat be maintained at all times;

Therefore be it resolved that we urge the Canadian government to assume the responsibility for carrying charges on all grain in storage at the end of each crop year.

I am very glad to see that the federal government is bringing down legislation this session which goes quite far in the direction advocated by this resolution. That being the case, I will not take time to argue the justification for the resolution being passed. The third resolution reads as follows:

Be it resolved that Canada continue to work towards the establishment of some form of an international commodity clearing house for the disposal of surplus food to needy nations;

Be it further resolved that until that goal is reached we urge the federal government to take the necessary action to move surplus food to nations unable to obtain all they require through the normal channels of trade, by such means as acceptance of foreign currencies and barter agreements and in the cases of extreme distress by gifts.

In that regard it was felt that we might very well follow the lead of the United States. They were doing that and the meeting felt that Canada might very well follow suit. They figured that the fact the United States was steadily expanding their disposal of surplus commodities through a program of that kind would suggest that Canada could do likewise, but they emphasized the fact that the whole endeavour of the government should be toward the establishment of some form of international commodity clearing house so that this question could be dealt with on an international basis rather than a purely national one. This resolution carried unanimously.

The fourth resolution reads as follows:

Whereas the Agricultural Prices Support Act was passed in an endeavour to secure a fair relationship between the returns of agriculture and those from other producers; and

Whereas grains were excluded from the products covered by the act;

Therefore be it resolved that we ask the federal government to amend the act so as to cover cereal grain.

As I have already pointed out, they have always strongly supported the Agricultural Prices Support Act, but the act has never included grains. Yet at the end of the war when the price of grains was controlled the prime minister at that time promised that after the war support prices would be placed

under farm products to make up for the losses suffered as a result of the farmers being compelled to sell for less than world market prices. The government maintained good faith with the farmers in so far as all farm products are concerned except grains, but grain was not brought in under the Agricultural Prices Support Act and there is no support under grains today. This resolution therefore merely asks that grains should be brought in under the operation of the Agricultural Prices Support Act, it also carried unanimously.

In closing I should just like to point out that Canada is today lagging far behind what a number of other nations are doing in order to safeguard the efficient operation of their grain growers. Whilst farmers with strong reserves may be able to carry on without too much difficulty, the majority are under a severe strain and in many cases are being obliged to give up their farming operations. I believe that the resolutions and policies to which I have referred would help to put the grain growers on a sound basis. In the meantime we intend to support the subamendment put forward by the C.C.F.

(*Translation*):

Mr. Fernand Girard (Lapointe): Mr. Speaker, 5,000 divorces are granted in Canada every year, that is one divorce for 25 marriages. In the two provinces which refuse divorce, Newfoundland and Quebec, parliament—according to figures which have been provided to me by the divorce committee—has, between 1950 and 1954, granted 1,512 divorces and refused only 14. 1,487 of these divorces were granted to Quebec residents.

For some time now a powerful campaign has been carried out in this country with a view to obtaining the enlarging of legal grounds for divorce.

And so, Mr. Speaker, I feel it necessary to return to this matter and to sound the alarm in relation to a situation which is assuming the proportions of a national scandal. I wish to underline a few facts, to reaffirm a few moral and legal principles and to seek out the one acceptable constitutional issue to this predicament.

Divorce is an infringement upon natural law, it sacrifices the child who is the main object of marriage, it disrupts the family, which is the very basis of society and withers society itself by sacrificing the commonweal to personal interests. Moreover, all Catholics and several Protestant denominations are opposed to divorce, which makes it contrary to the religious principles of the vast majority of Canadian citizens.

Considered inadequately by the courts and by parliament, it furthermore puts members in an ambiguous position and confronts them with a delicate constitutional problem.

From the point of view of nature, marriage is an institution the primary purpose of which is to insure the propagation of the human race. It is a contract which cannot be of temporary duration because it is bound by a permanent tie which is the child. So, divorce denies this primary purpose of marriage because it sacrifices the child in splitting the family, the foundation of our society.

People are rightly concerned about communism because it attacks the rights of man but, on the other hand, they allow the multiplication of divorce which destroys man at his very source. We know once more how man can be utterly illogical when we find that those countries which worry the most about a falling birth rate are also the ones to encourage divorce the most. In Canada we clamour for immigration to increase our population, and we empty our cradles through divorce.

Not only does divorce make for selfishness on the part of the parents to the prejudice of the children, but it prevents children from being born. Yes, because it is made easy since it is legal, divorce prompts parents to limit the obstacle children would be to their eventual separation. The possiblity of divorce tempts our young people to consider matrimony as a temporary adventure.

Unless he wants to reduce the human race to a level lower than that of the beasts, no right-thinking man will deny that the first end of marriage is the child and that this same child is the certain victim of divorce.

This would amount to admitting that, owing to its nature, divorce destroys our human society and favours the personal interest of husbands and wives to the prejudice of the common weal. To claim that divorce is useful to society is to recognize the priority of the individual welfare of a few people over the general welfare of society, or the priority of selfishness and sexuality over the renewal of the human race. In those divorce cases that are brought before parliament the main victims of this social plague, that is the children, have never been able to claim their rights. The generally admitted motive for divorce being adultery, parliament does not consider their case. Children have been called as witnesses for or against their parents, without any consideration being given to their own case while the sexual experiences of their parents were related before the committee.

Speaking of divorce as a social evil, Mr. Theodore Roosevelt wrote in an article entitled "The Scourge of Divorce in the United States":

A scourge for any country, easy divorce is a curse to society, a menace to the family, an invitation to marital unhappiness and a practice fatal to men and particularly to women.

It was not a Catholic who spoke that way, but the leader of a nation that deemed it advisable to facilitate divorce for all sorts of pretexts, a nation that is unsuccessfully fighting a cancerous growth, the progress of which it cannot stop. They granted divorce in the name of freedom, but they have always reaped licentiousness.

The very existence of divorce seems to establish a new principle, namely that by contracting marriage human beings become angels on earth, infallible beings, because means have been devised enabling them to free themselves from their oath at the slightest disagreement.

Not only is divorce a national scandal giving a respectable status to short-lived love affairs but it deals a serious blow to the religious principles of all Roman Catholics and of numerous Protestant denominations in this country.

To those who believe that constant assaults will shake our will to resist I repeat that true Roman Catholics will never compromise on divorce.

By her unshakable determination to fight divorce the Catholic church is not led by stubbornness or harshness; she merely respects the will of Him who built our human society; she is protecting the creative work of God and the natural right of people. Let me add, Mr. Speaker, that the fact that our parliament is dealing with divorce, even as an exception through private bills, puts the Catholic members in an unbearable and unjust situation. I know that these divorce cases are a source of annoyance for all members. I know also that some throw the whole responsibility for this situation on Roman Catholics since these bills come to parliament because divorce is not recognized in our province. I point out to them, Mr. Speaker, that we are not responsible for these divorce cases; we reject them and will never accept a situation resulting from the very fact that some men want to divide what God has united.

Moreover, any citizen imbued with moral responsibility and real concern for the common weal cannot, whatever his religious beliefs may be, find any social advantage in divorce. One has but to open one's eyes and to look at what history teaches us. In the United States, where easy divorce has laid a great nation open to ridicule, civil and religious authorities are seriously concerned with the consequences of this national scandal which undermines the strength of the nation. Thousands upon thousands of testimonies have pointed to the evil consequences of this scourge.

I will restrict myself to only one of these testimonies, one which summarizes the whole situation in a few words. I will quote a statement from Mr. John Fitzgerald, dean of the faculty of law at Loyola University, as reported in a release from the information service of the Canadian Catholic conference, bulletin number 45, February 1955 issue.

Mr. Fitzgerald said that, since 1867 (statistics in that field date back to that year), the population of the United States has increased in a proportion of 1 to 4 whereas divorces have increased in a proportion of 1 to 60. From 1930 to 1948, one divorce has been granted for every five marriages in the United States.

The dean of the law school lays some blame on lawyers and judges, but mainly on the judicial setting in which divorce cases are heard.

He claims that there is a tragic difference between the divorce legislation and the procedure followed in fact. Actually, divorce cases go uncontested and are settled amicably between the parties in a proportion of 80 to 90%. He adds that, according to estimates from the lawyers, there is perjury in 75% of the cases. Often, hearings take only a quarter of an hour or less and the facts at issue are not examined at all.

And what happens in Canada? In an article entitled "Court of Broken Dreams", at page 34 of the March 1955 issue of *Liberty*, the author, one of the magazine's reporters, writes:

(Text):

I sat in on a courtroom recently in an attempt to understand why 5,000 Canadian couples annually crack up their marriages in a divorce process of mud-slinging, name-calling and money-wrangling.

I wanted to find out why our divorce rate has risen to a point where one out of every 25 Canadian marriages winds up a divorce washout.

(Translation):

Would you like to know how divorces are granted in Canada? Let me turn, not to the testimony of a Roman Catholic preacher, but to the Divorce Reform Association of Toronto, which published a manifesto urging that the legal causes of divorce be extended. Here is the first paragraph:

(Text):

Did you know that there is divorce by consent in Canada? One judge has said that nine out of ten cases before him are collusive, that is, the parties have perjured themselves in order to get a divorce.

(Translation):

Would it be that justice itself recognizes that out of the 5,000 divorces granted each year, there are 4,500 common law cohabitations, legalized through perjury?

Quebec and Newfoundland are the only provinces that do not recognize divorce. In Quebec, the civil code, which derives its official status from the Confederation Act itself, recognizes in section 185 that marriage cannot be dissolved. Therefore, the federal government cannot and will never be able to establish a divorce court for petitions emanating from Quebec, because it would be contrary to the terms of the confederation act and against the statutes of our Quebec civil code. It is for that reason that, in order to obtain divorce from parliament, citizens of Quebec and Newfoundland must resort, to a private bill, a special law, and exclusive privilege. It must be admitted that the distinction is not illusory, since that procedure respects our civil code, safeguards the principle of the indissolubility of marriage, and prevents the setting up of divorce courts for the people of Quebec. However, one must not stop there, because although up to now the principle of the indissolubility of marriage has been safeguarded, have marriages themselves been saved? Has the rate of divorce been decreased to the extent expected, as a result of this necessity of resorting to private bills to obtain a degree?

As I stated at the beginning of my remarks, between 1950 and 1954 alone, Canadian parliament has recommended the granting of 1,512 divorces and rejected 14 petitions. And out of that number, 1,487 exceptional privileges were granted to citizens of the province of Quebec whose civil code recognizes the indissolubility of marriage.

Is that not a fantastic average? Should we not fear that the repetition of such exceptions will threaten the general rule, especially when it is known that, for our Anglo-Saxon fellow-citizens, the accumulation of precedents frequently acquires the strength of law?

Everyone admits that parliament has neither the competence nor the means to pass proper judgment on the cases submitted. For that matter, the courts hardly seem to do better, as is apparent from the opinion quoted above on the percentage of perjuries.

There have been instances of divorces being granted by parliament in 12 minutes! After being studied by the Senate, with its inadequate facilities, and adopted by the parliamentary committee following a mere reading of the case, they are usually passed by the house wholesale. To grant a divorce parliament is generally content with proof of adultery. This proof is based on the rather dubious testimony of the private detectives who have prepared the case. Those detectives, whose testimony disrupts marriages, are often young men with no legal responsibilities, who earn a small salary to carry out their foul business. All members of the committee genuinely feel that in most cases there is collusion. But how can it be proved?

Last year, in this house, I asked the Minister of Justice (Mr. Garson) whether in the last ten years his department had prosecuted any of the parties in divorce cases for collusion. The minister replied that there was no record of any prosecution of this kind in the files of his department. Were the children wronged by disrupted marriages never taken into account? Divorces have been granted to persons in the absence of their marriage partner. Everyone knows that in Montreal, as in all large cities, there are detective agencies which, for a price, can build up evidence of adultery. From the figures I have given, it is easy to see that divorces are almost always a foregone conclusion in Ottawa.

Of course, parliament could be more severe in its examination of the cases but, on the other hand, I am not ready to blame it entirely for this, because the only means at its disposal for getting truth is the oath. When magistrates of the courts themselves recognize that there is perjury in the majority of cases brought before them, how can members of parliament or senators be expected to do better when there is collusion to commit perjury between witnesses? The error was first made when parliament entered the field of divorce, a field in which it will always be the loser in its struggle against passions. In short, even through the allegedly more difficult method of the private bill, hundreds of divorces are granted each year to the citizens of two provinces where divorce is banned.

The only conclusion possible is that this situation must be remedied because parliament is unfit and inefficient when it comes to hearing divorce cases, even though it is constitutionally authorized to deal with them.

The C.C.F. party, through many of its members, has for many years expressed alarm at parliament's readiness to grant divorces. But the solution it proposes is, in short, that divorce cases be sent to the Exchequer Court. This solution reminds me of the flood victim who would drain his cellar into that of his neighbour.

We will never agree to the principle that those cases be referred to a court of justice for that would be in actual fact a denial of the indissolubility of marriage, which is protected by section 185 of the Quebec civil code. So there is only one alternative, Mr. Speaker. It was set forth in this house 25 years ago, in 1930, by a great French-Canadian statesman, Mr. Henri Bourassa.

He suggested that the constitution be amended and that the question of divorce be referred to each of the provinces who would dispose of it at their discretion. Bourassa claimed that the matter should be referred to the provinces because the federal government was not able to exert the authority constitutionally attributed to it in this respect.

I can very well imagine the main objection to this solution which, for some people, would mean refusing the privilege of divorce to the non-Catholic population of Quebec.

As long as it has not been proved that divorce is a beneficial institution promoting common welfare, nobody will have the right to ask for the abolition of section 185 of our civil code. Anyhow, it is not a question of choosing the laws of one's country or province. I would be first to ask for the abolition of taxes if I were entitled to reject a law that is not favouring my personal interest.

At the federal-provincial conference of 1950, Mr. Bourassa's suggestion was brought up again by the premier of Quebec, Mr. Duplessis, in a brief submitted to the attorneys general of Canada, and seconded by the representatives of three other provinces, those of New Brunswick, Alberta and Saskatchewan, which would bring up to five the number of provinces who would adopt this solution. When that proposal was submitted in 1930 by Mr. Bourassa, it was approved by the Divorce Reform League of British Columbia and by the Marriage and Divorce Reform Association of Toronto.

There would be no change in the position of the provinces that accept divorce, but this solution would have the advantage of putting an end to a situation which Quebec and Newfoundland cannot tolerate and it would also free parliament from a situation which is equally unbearable.

Since this entails an amendment to the constitution, which cannot be done without the consent of the provinces, I urge the government to call a federal-provincial conference without delay, and seek means of bringing about that amendment to our constitution.

The reasons put forth by Mr. Bourassa 25 years ago to obtain that amendment to the constitution, at a time when less than 100 divorces were granted each year, have become even more pressing if we consider that parliament now receives nearly 500 applications for divorce each year.

Unless the government hastily adopts the only acceptable solution, it will soon be overwhelmed by the rising flood of easy divorces.

[Mr. Girard.]

Soon, divorces will be granted for incompatibility, the most futile and the most fallacious of pretexts.

This serious problem must be solved before it is too late, for divorce, which some would like to make still easier, is becoming a legalized form of free love and is gradually undermining the vital strength of the nation.

(*Text*):

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise to address my remarks to the subamendment which is now before us, and to indicate the attitude that I believe will be expressed by the members of the party to which I belong.

The subamendment that is before us asks that the following words be added to the amendment which we have already introduced:

> . . . including their failure to provide cash advances on farm-stored grain, equal to not less than 75 per cent of the initial price, to alleviate the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces . . .

As has already been indicated by the hon. member for Prince Albert (Mr. Diefenbaker), we would have moved this as part of our amendment had we not wished to leave the way clear to put an amendment of this kind before hon. members on the motion to go into supply. I explained at the time that I was speaking in the debate earlier that we were moving a broad amendment without going into detail so that we would not subsequently limit the opportunity to present an amendment upon which all hon. members would be called to express their opinion. I regret very much that by the introduction of this subamendment it is likely that we shall be unable to introduce an amendment on going into supply which would call for a direct vote on that one question by all hon. members without anyone being given an opportunity to say that he had voted against it for some other reason than that contained in the words themselves.

I should like very much to have had the opportunity to present an amendment calling for cash advances so that every hon. member on the other side as well as on this side would have been called upon to vote on that question and that question alone.

As I indicated earlier in my remarks in this debate, we refrained from introducing detailed amendments of that kind because of our desire that we should not preclude the possibility of offering an opportunity at a later time during this session for a clear and unequivocal vote on this and other subjects which will arise. However, the hon. member for Rosetown-Biggar (Mr. Coldwell)

has chosen to introduce this subamendment. That is his right. The subamendment is before us. I wish to indicate the course that we propose to follow. I do not think the subamendment is drawn as well as it could have been. Nevertheless, the course is clear. The intention of this subamendment is to call for an expression of opinion in regard to the desirability of cash advances to meet the serious financial crisis now confronting western farmers and the entire economy of the prairie provinces.

In moving this subamendment, the hon. member for Rosetown-Biggar placed no new issue before the house. We made it abundantly clear, without any reservation, that we favoured the principle of cash advances on farm-stored grain; nor did we simply state that at the beginning of this debate. In December of 1952 I asked in this house that legislation be introduced without delay to make it possible to provide for cash advances on farm-stored grain. Since then, we have continued to urge that legislation of this kind be made available. Therefore, the purpose of this subamendment is one which we have placed before the house, and one which we have stated publicly elsewhere on frequent occasions. The only question which arises is one of actual wording, and we are not going to haggle over words when the principle is clear.

It would have been much better if, after the words "not less than 75 per cent of the initial price", these words had been added, "on a reasonable quota basis." I prefer to believe, however, that the subamendment intends that.

The payment on a quota basis has become an accepted practice. In fact, it has become such an accepted practice that the book on which the payments are made is commonly described as a quota book. Therefore, I think it is reasonable for us to assume that in the drafting of this subamendment the hon. member for Rosetown-Biggar had in mind the requests which have been made by representative farm organizations, and in fact the proposal that we have made over and over again, long before this came out in the house this session, that there be a cash advancement on a reasonable quota, having regard to the general quota arrangements which have been made for the past several years. Since that is the situation and since that is what I consider to be a reasonable interpretation of these words, we intend to support this subamendment because it does express the request that consideration be given to the demand for the very thing we have been asking for, for several years.

I repeat—and I must repeat—I regret very much that by following this course hon. members to our left have perhaps denied the opportunity to have a clear vote on this one question by a substantive amendment when we go into supply at some later time.

I do not intend to make any extended remarks on this subject today, but I do intend to refer to one statement made by the Minister of Trade and Commerce (Mr. Howe) during his remarks on January 16. He told this house in effect that if the plan of cash advances on farm stored grain went into effect the four members of the wheat board would be out of office within a matter of days.

Surely this is a new procedure. I should think it is an abnormal exaggeration, even for the Minister of Trade and Commerce, and it would have to go very far to qualify for that description, but let us see just what this means. It has been a long established practice, going back for centuries, for ministers of the crown to announce in certain cases that Her Majesty's representative has approved of the subject matter about to be discussed. Obviously we are now to have a new practice. Apparently, in matters of this kind, instead of the approval of His Excellency as the representative of Her Majesty, in future we will be told that officials have approved of the measure we are called upon to discuss.

That is bureaucracy carried to a degree which we have not yet contemplated. That is bureaucracy carried to the point of being an affront to every member of parliament. We are told without apology that officials would resign if members of this parliament decided that a certain type of amendment should be made to legislation for which they are responsible. I hesitate to believe that the Minister of Trade and Commerce has any support for such a statement. I prefer to believe that it is an abnormal exaggeration even for him.

Perhaps this is another case of the right hand not knowing what the left hand is doing. I would be inclined to think that the Prime Minister (Mr. St. Laurent) was perhaps very surprised when he heard that we were now being told when we could or could not do things in this house according to the pleasure of officials in various government agencies set up by the authority of this parliament.

We have complained before about bureaucracy. Unless that statement by the Minister of Trade and Commerce was utter humbug there is an apology due to the members of this house for an implied threat that certain public officials would not continue to do their job if we did ours.

Mr. Pickersgill: This is a free country; they can resign if they wish.

Mr. Drew: I hear the Minister of Citizenship and Immigration say that this is a free country. I hope it will continue to be a free country and I hope this will continue to be a free parliament. I hope that we shall no longer have any suggestions of this kind. We have had enough arrogance from ministers without having arrogance from public servants. This is a subject which calls for further explanation and there is still time in this debate for an explanation to be given as to the authority upon which that statement was made.

In so far as the amendment and the subamendment are concerned, it is my understanding that a vote is to be taken today in accordance with the new rules. I would hope that on that vote there might be some hon. members who would recognize that the first vote, which will be on the subamendment, will be on the primary question of whether there is approval of the principle of making cash advances on farm-stored grain. I would hope that that would be the accepted position. I would hope that very much. I should like some hon. members opposite to express their opinions by way of vote and to indicate their support of a principle which I know many of them have been supporting outside of this house.

In so far as the general subject matter of this debate is concerned, the debate will continue and presumably there will be another subamendment when I can make any further remarks that I deem to be appropriate. For the reasons I have given, it is our purpose to support this subamendment.

(Translation):

Mr. David Gourd (Chapleau): Mr. Speaker may I be allowed to congratulate you on the flawless way in which you have been carrying out your exalted functions over the past three years. I would also like to recognize the high reputation which you enjoy through your deep knowledge of parliamentary law and your remarkable impartiality.

I wish to congratulate the hon. member for Timiskaming (Mrs. Shipley) for her brilliant handling of the delicate task of moving the address in reply to the speech from the throne. Northern Ontario and the adjacent area in northwestern Quebec are rightly proud of the member for Timiskaming.

I am also happy to congratulate the member for Bellechasse (Mr. Laflamme) who so ably seconded the motion. This young man certainly has a promising parliamentary future and we must congratulate the people of Bellechasse for sending to parliament a newcomer of such merit.

I heard it mentioned in the speech from the throne that, as a whole, Canada is enjoying at this time a remarkable period of prosperity. In fact, one only has to leave our beautiful country and visit other countries to see how privileged we are to be living in Canada and to enjoy so much comfort and freedom. May I be permitted, Mr. Speaker, to point out to our friends in the opposition that we are indebted to the wise administration of this government for this situation.

How privileged we are to have as special representatives to the great powers such extraordinary men as the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Fisheries (Mr. Sinclair), who visited Soviet Russia and other countries, men like the Minister of National Health and Welfare (Mr. Martin) who has had such great influence on the decisions of the United Nations, and like our Prime Minister (Mr. St. Laurent), who made a triumphant tour of the world.

Because of their competence and their skill, these statesmen have given our country an outstanding reputation and unequalled prestige abroad.

I would also like to mention the important contribution to the prosperity of Canada of the right hon. Minister of Trade and Commerce and of Defence Production (Mr. Howe), and of the right hon. Minister of Agriculture (Mr. Gardiner). By their efforts they have maintained the prices of our products at a very satisfactory level.

I cannot understand why the members of the opposition are so upset by the abundance of our wheat crop and of our butter production. I take the liberty of advising them not to worry too much, because the situation is much better than they would have us believe. With such an excellent administration as that of our government and with the skill of men like the right hon. Minister of Trade and Commerce and of Defence Production and of the right hon. Minister of Agriculture, we have no cause for worry and, in my opinion, we are far better off with large crops than with short ones.

I would not want to forget to thank our Minister of Transport (Mr. Marler) as well as his predecessor who authorized the construction of the railroad from Barraute to Chibougamau, a distance of over 200 miles, entirely within the constituency of Chapleau, which I have the honour to represent. That

railroad has already promoted considerable economic activity in that large area. Moreover, its extension into the lake St. John district will help commercial relations between the two important districts of lake St. John and Abitibi, to the mutual great advantage of both areas.

Construction of that railroad will unquestionably permit the establishment of many parishes, and promote the development of several new mines. Already, there are over 400 families and business establishments of all kinds in Chibougamau proper. In addition, the Opemiska Mining Company has just set up a new municipality, Chapais, where no less than 125 families have settled.

Being now acquainted with these facts, and knowing that our district has a population of about 200,000, mostly farmers, you will agree, I think, that we are justified in expecting the establishment of a regional slaughter-house and cold-storage plant which would permit our settlers and our farmers to raise cattle on a larger scale and to increase their agricultural production, since their products could be marketed in an orderly way during the year, which means that our producers would enjoy a security essential to the conduct of their business.

On the industrial level, as was so well outlined by my colleague, the member for Villeneuve constituency (Mr. Dumas), which is adjacent to the county of Chapleau, it is quite possible that a zinc smelter will be built before long in our district. I may add that I learned recently that Noranda Mines company might build a copper smelter. Moreover, in view of the boundless forests that are found in the northern part of my county, it is highly probable that a paper mill will also be built near Mattagami lake.

The construction of a new section of the railway, about 50 miles in length, from the vicinity of Beattyville up to Mattagami lake, would be warranted by this building of a paper mill.

Once these large scale projects are carried out, we will owe them to the work and unrelenting efforts of our public bodies, our industrial board, the professional organizations of our farmers and agronomists, our municipalities and our county council. I wish to congratulate them publicly, to thank them for their co-operation and to urge them to continue their work of promoting the development of this corner of northwestern Quebec so that it may become one of the most important districts and thus greatly contribute to the economic welfare of Canada.

Now, Mr. Speaker, I make it a point to congratulate our able Minister of National Defence (Mr. Campney) for his good administration. But I have a suggestion to make in connection with national security. I have already pointed out in this house the many reasons of national interest which would justify the federal government in approaching the government of the province of Ontario to ensure completion of the road connecting Norembega in the province of Ontario and the town of La Reine, in the province of Quebec, a distance of 47 miles. I do not intend to repeat the arguments. I believe however that the dangers which threaten our country and the development of modern weapons which have justified the establishment of a network of radar stations—two of them located in my constituency—require the direct assistance of the Department of National Defence for the completion of that road and the establishment of a communication system between the two provinces.

There is another stretch of road whose construction by the Department of National Defence would undoubtedly be most necessary and urgent. This stretch would connect Casey—where the department has built a very important airport—to the radar station at Parent. It is a distance of about 25 miles where construction would be very easy; it would certainly not cost more than $15,000 per mile and would provide an outlet for the population of Parent and the surrounding area.

I wish also to take advantage of this opportunity to ask our devoted Minister of National Health and Welfare to see to it that the rate of family allowances and of the disability pension be increased.

Now, Mr. Speaker, I would not like to end my remarks without mentioning once again, as I have done in my previous speeches, the necessity of appointing a representative to the Vatican. As almost every other country in the world is represented there, and as everybody admits without religious or national prejudice that the Holy See is an element of unity and peace between nations, I am convinced that, for Canada, the appointment of such a representative would be a help and a contribution to the cause of universal peace.

I also submit that the government would respond to the wishes of the great majority of the Canadian people and would follow its regular Canadian policy by giving this coun-

try a national flag. Canada is a sovereign member of the commonwealth of British nations, under certain amendments to the British North America Act. Our supreme court is now the final judicial authority and the queen's representative in our country, the governor general, is of Canadian origin. It seems to me that the adoption of a national flag would be an addition to the development of this our great country, Canada.

(*Text*):

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, in the speech from the throne there is one sentence in particular to which I wish to draw the attention of this house and upon which I shall base the major part of what I have to say this evening. The sentence to which I refer reads as follows:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

The last part of that sentence, that not all parts of the economy have participated, will go down in history as the greatest understatement of all time. Even if we were only to make a summary of what we have heard in the present debate, and I am not referring entirely to speeches by members of the opposition parties, it certainly would appear that there is a large sector of our economy that has not participated in the so-called prosperity referred to in the speech from the throne. However, apparently there are some parts of the economy that have done better than previously. I have in my hand a Canadian Press clipping in which it is pointed out that corporate profits from January to September, 1955 rose to $2,236 million compared with $1,829 million a year ago. Apparently our huge corporations have been increasing their profits, but if that is the only basis on which the government can claim that we have prosperity then I must say they are giving their attention to a very small sector of the Canadian economy.

On the other hand, almost every member who has spoken about agriculture in this debate has drawn attention to the decline in income. Instead of burdening the house with any more statistics, I should like to point out briefly what is being said in my province of Manitoba by two of the farm organizations there, who between them represent pretty well all the farmers in that province, and, in addition, by the provincial government. In its submission to the commission investigating our economic prospects the Manitoba federation of agriculture stated in the very first paragraph of their brief:

> A continuation for even a year or two of recent trends in increasing costs and declining farm prices would spell disaster for agriculture in this province . . .

Then I also have a report of what was stated to the commission by the Manitoba farmers' union as found in the *Manitoba Co-operator* of November 17 last:

> In a ten page brief accompanied by the appendices showing the continuous increase in farmers' production costs and the continuing decline in the purchasing power of a bushel of wheat, the Manitoba farmers' union suggested to the Gordon commission that perhaps the greatest single factor in influencing present trends in agriculture "is, and has been, the policy or lack of policy on the part of governments."

In a report of the submission of the province of Manitoba, also found in the *Co-operator* of the same date, there is the following:

> Manitoba farmers "are facing an economic squeeze that bodes ill for them in the next few years unless some drastic measures are taken to remedy it," premier D. L. Campbell told the royal commission on Canada's economic prospects. He explained, "Quite frankly, I don't know what the solution is."

That is, of course, a typical Liberal analysis. That is the situation facing agriculture and that is one reason why a great part of this debate has centred upon the amendment to the amendment moved by my leader on which I understand a decision is to be taken today. I want to deal with it for a few minutes, not so much on the basis of what has already been said on this side of the house, because certainly the case for the subamendment has already been very well stated, but on the basis of what has been said in defence of the position of the government. We have had some most extraordinary speeches, and apparently the Winnipeg *Free Press* seems to think so too. In a leading editorial in their issue of the 17th of this month under the title, "C. D., How Could You?", they state as follows:

> Mr. Howe, defending the government against attacks on its wheat policy, made an extraordinary speech in the House of Commons Monday. No doubt it had some subtle point. But such subtlety will leave plain folk in western Canada more puzzled and more dissatisfied than ever.

I am afraid it will be cold comfort to the Minister of Trade and Commerce (Mr. Howe) to know that, at least in the opinion of the Winnipeg *Free Press*, his effort of last Monday is going to leave the farmers of the prairie provinces more dissatisfied than ever. That, Mr. Speaker, will be rather considerable because dissatisfaction and discontent with the actions of the government in the last three

or four months have reached a pitch in western Canada that I have not witnessed before in my lifetime.

There have been mass meetings and meetings of organizations. Resolutions have been passed. In fact, we are informed in the same editorial to which I have referred that even from the constituency of Rosthern two telegrams were sent, as the result of a Liberal association meeting, asking for cash advances on grain. As a matter of fact, it is one of the top issues from the lakehead to the foothills. May I say more as a warning than anything else that if the Liberal members who represent prairie constituencies do not change their attitude they may find very slim pickings from the lakehead to the foothills at the next election.

It is not only a matter of cash advances. That is only one of the issues. It happens to be the top issue today and the straw that broke the camel's back. It is the culmination of years of broken promises, years of disregard for agriculture and, perhaps even worse, disregard for the views of the farmers as expressed through their organizations.

In his address the other day the Minister of Trade and Commerce took a rather astounding position when he as much as said that even though the prairie wheat pools had passed resolutions asking for cash advances, even though the Manitoba farmers' union and the farmers' unions in the other two provinces had passed resolutions asking for cash advances and even though various chambers of commerce, labour organizations and so on had done so, it did not matter. It was his opinion that they should pay no attention to all these organized bodies and should slough off the whole thing simply by saying that if the government took the advice of these organizations difficulty would arise with the officials of the wheat board. I am sure he cannot get away with that and I am sure he does not expect to.

On top of that, in one of his arguments against cash advances on farm stored grain he strongly implied that one reason it could not be done was that there was no assurance that the grain on which the advances would be made would in fact be there so that it could be delivered to repay the advances. That is an implication which I am sure will be resented by every grain grower of the western prairies. I have been in close contact with the farmers of western Canada over a period of 20 years, the Minister of Trade and Commerce has been in contact with them for much longer than that, and I am sure he would not want to imply that the farmers cannot be trusted to the extent of at least 75 per cent on the grain they have. Surely the minister would not imply that the farmers would take advantage of such legislation to try to pull off some dishonest deal. There are plenty of ways to keep track of these advances. There are the grain permit books. There is the grain elevator system. There is the wheat board. The machinery is there. The question is whether or not the government are going to take the advice of the farm organizations of western Canada or whether they are going to take their own way regardless of what the people of western Canada think. As to the speech made by the Minister of Trade and Commerce last Monday, in some ways I should be pleased if enough copies of it were made so that one could be nailed on the door of every grain elevator on the prairies. It would make good reading for farmers who could come to the elevators and find there is no space for their grain.

Some of the other members on the government side of the house made their speeches in defence of government policy. I should like to refer to one made by the hon. member for Rosthern (Mr. Tucker) in which he took considerable time trying to interpret what went on at the Saskatoon grain conference. It so happens that I was also present at that conference. I am afraid that the hon. member's line, in which he tried to make it appear as though what is contained in this amendment is a threat to the Canadian wheat board, is nothing more than a most ungainly attempt to hide behind the skirts of the Canadian wheat board. Certainly anyone who attended the Saskatoon grain conference did not come away with any such idea as that.

At the conference were representatives from all the main farm organizations of the three prairie provinces, two of the governments of the prairie provinces, labour organizations, chambers of commerce, and retail merchants. It was a cross-section of the opinion of the prairie west. In all of the discussions that took place there was no suggestion whatever that there was any conflict between the proposition of cash advances on farm-stored grain and the principle of the Canadian wheat board or that there was anything incompatible. Certainly the hon. member for Rosthern cannot come to this house and try to interpret the desire of that conference as being one for bank loans at 5 per cent; because if there is any one thing on which they were fairly clear, it was that they were not in favour of bank loans at an interest rate of 5 per cent and that they were in favour of cash advances.

In dealing with the question of the Canadian wheat board I was rather amazed to find that any member of the Liberal party would

get to his feet in this house and try to leave the impression that it was the members of this group or the members of the opposition generally who were any threat to the Canadian wheat board. When we look back over the record we find that exactly the opposite happens to be the case. For example, when the original wheat board bill was introduced in this house in 1935, if one looks back over the debates of that day he will find that it was the members of the Liberal party—who were then in opposition—who expressed some grave doubts as to whether or not they should support such a measure. As a matter of fact, in almost every case where they spoke, they expressed the hope that it would be a temporary measure, one just for the duration of the emergency at the time, and that it would not be a permanent measure on the statute books of this country. For example, the hon. member for Portage-Neepawa (Mr. Weir)—who is one of the few members on the opposite side of the house who were present in 1935 in this house—spoke on that question on June 13, 1935. In announcing his intention to vote for the second reading of the bill he qualified it with this paragraph as reported at page 3633 of *Hansard* of that date:

> At the same time I would hesitate very much to endorse a proposition whereby, at this stage of the game, a permanent compulsory pool organization or board should be established and set in motion to conduct the wheat marketing affairs of the country for years to come. I dislike to see the government go into the grain marketing business.

That was the position of the Liberal party at that time. If it has changed, it has been a recent conversion. The then minister of justice, the late Right Hon. Ernest Lapointe, in his speech on the same date, qualified his support for that principle in these words. After having given four qualifications, his fifth one was as follows as reported at page 3606 of *Hansard* of June 13, 1935:

> And, fifth, I vote for this as a temporary emergency measure and not as a permanent scheme of socialistic government operations in connection with the production and distribution of wheat, especially since it is introduced in the dying days of a moribund government.

The last few words, of course, are as applicable today as they were at that time. There you have the situation where the members of the Liberal party, sitting in opposition at that time, expressed themselves firmly as not being in favour of the principle of the wheat board handling the marketing of grain as a permanent policy in this country. They would only agree to it as an emergency measure to be taken off the statute books as quickly as possible. As a matter of fact, a year later they came to power and made an attempt at least to so weaken the wheat board as to make it partially inoperative. The time in 1938 when the initial price was cut down to 60 cents a bushel is another example of what the Liberal party felt as to the importance of the Canadian wheat board.

I think that is ample proof to show that far from any one of this group—who through policy and principle have always been in favour of orderly marketing and of the Canadian wheat board—being any danger to the future of the wheat board, it is the members who find themselves in the position of opposing our amendment who form the greatest danger.

As this issue developed across the west last fall, it was interesting to see what kind of lead was given to the farmers on this question by the various cabinet ministers concerned with this matter. For example, we have the Minister of Justice who is our cabinet representative from Manitoba; we have the Minister of Agriculture from Saskatchewan; and then, of course, the Minister of Trade and Commerce in whose department is the authority for the wheat board. The way in which this whole matter was handled created a great deal of resentment and discontent not only because of the refusal of the government to act but because of the number of contradictory statements that came out, one after the other. First one minister would put out one statement. Then another would come along and say something different.

The situation reached the point where it seemed to have the effect of the hit parade in which certain popular tunes of the day come to the top. At about the height of the excitement I noticed that there was one tune which rather adequately described the leadership of these three ministers. It was a tune under the title of something like "Bewitched, Bothered and Bewildered". I think that title just about describes what we were getting from our cabinet ministers. First the Minister of Agriculture (Mr. Gardiner) came along and tried to bewitch the farmers into believing that this surplus grain in their granaries was a very good thing. Then the meeting at Minnedosa in the constituency of the Minister of Justice (Mr. Garson) certainly bothered many people and it must have bothered him considerably considering the fact that the questions lasted for about 3½ hours, although he dodged them very skilfully. Certainly that title well described the situation when it came to the attitude of the Minister of Trade and Commerce because while the cash advance proposition was turned down and bank loans were offered at 5 per cent, the people of western Canada were well aware of the fact that something far different was being done in another direction. Practically at the very same time when we were told that

there was nothing wrong in guaranteeing the banks for loans at 5 per cent, that the principle was right—the other day the minister referred to the fact that any time he had to borrow money he had to pay an interest rate of at least that amount—the government announced that they were prepared to advance a large sum of money to a private corporation, namely Trans-Canada Pipe Lines Limited, at a rate of 3½ per cent. The minister shakes his head. If he thinks that is not correct, I should like to hear his correction.

Mr. Howe (Port Arthur): Since the hon. member has asked for the correction, the government is advancing no money whatever to Trans-Canada Pipe Lines Limited.

Mr. Zaplitny: I rather expected the minister would say something like that because the agreement which was drawn up involves the federal government, the government of Ontario and the pipeline company. It amounts to the same thing as the government advancing approximately $85 million to a private company at an interest rate of 3·5 per cent. It is even worse than that, because in that same agreement there is a provision whereby the pipeline company can depreciate the pipeline at a rate of 3·5 per cent. In effect, what the pipeline company is going to have when it buys back that portion of the pipeline being built by the two governments under the agreement is an interest free loan of approximately $85 million.

Mr. Howe (Port Arthur): I trust my hon. friend never gets in a position to handle government money because that type of financing would certainly wreck the country.

Mr. Zaplitny: If the minister believes that kind of financing is not right, then he will have to revise the agreement because that is what the agreement provides.

Mr. Howe (Port Arthur): It is not what the agreement provides. My hon. friend does not understand it, but I do not mind his explaining it in his own simple way.

Mr. Zaplitny: I will come to that question again. I want to continue. I merely use that as a comparison—

Mr. Howe (Port Arthur): Better drop it.

Mr. Zaplitny: —to illustrate the different way in which the grain farmers were treated from the way in which a private company was treated at the same time.

Mr. Studer: Wrong again.

Mr. Zaplitny: I would not advise the hon. member for Swift Current-Maple Creek (Mr. Studer) to put in his oar at this time because the kind of defence he made of the government's position in his speech the other day should convince him that in this case silence would be indicated. The only thing he had to advocate for getting rid of our food surpluses was to eat more. He thought if everybody had all the food he could eat and put on lots of flesh our surpluses would disappear. What he seemed to forget is that there are two kinds of people in Canada. There are those who eat too much and those who eat too little. In many cases those who eat too little are not able to buy the food because of the government's stingy policy on social services.

Mr. Studer: Haven't you got a province out there that saves all the money?

Mr. Zaplitny: As I said earlier, this question of cash advances, in itself, is not the whole reason for the dissatisfaction amongst western farmers. It is a queston of whether the whole of agriculture in Canada, the east as well as the west, is getting a fair share of the national income. When we look at the statistics and find that 20 per cent of the population of Canada which operates agriculture is receiving less and less each year, when we would expect them to receive 20 per cent of the national income and find that they have slipped from about 8·5 per cent down to about 7 per cent of the national income, there is the basic reason for farmers complaining about the treatment they receive from this government.

I think before this session is over this parliament will have to give serious consideration to at least three phases of our economy. Basically, if we are going to have prosperity in this country that we can talk about and not just the prosperity of a few big corporations who increased their profits, there are three things which I believe we must do. First, we must agree as a parliament on the principle of parity prices. Parity for agriculture is not only a matter of giving justice to agriculture but it is part and parcel of the future prosperity of Canada. If we so arrange our affairs, and if we have legislation which results in giving agriculture its fair share of the national income, we will find we will have accomplished perhaps the greatest single step in keeping the whole economy of the country in a buoyant state. If we allow the share of agriculture to continually decline while the costs of production remain the same or go higher, then of course we will place agriculture in this country in a position in which the farmers will not be able to buy their share of the good things produced in this country.

As a result of that we will help to create an economic crisis in other parts of the country. It has happened before, and it would happen

again very quickly. We hear arguments pro and con on the question of parity prices for agriculture. Sometimes we are told that if we attempted to establish a parity price system for agricultural products it might entail subsidies. There are those who are prepared to argue that would not be a good thing because we would have to use public money to place floors under farm products. On the other hand, when we look around our economy and stop to think of the kinds of subsidies that are being paid and have been paid over many years, I cannot see how anyone can argue that a few hundred million dollars in subsidies for agricultural products would be a wrong thing.

If we stop to think of one item alone, our tariff structure, what a terrific subsidy that is to the manufacturing concerns in this country! In the period of time during which tariffs have been operating they have been effective in draining from the pockets of the people of western Canada particularly hundreds of millions of dollars. There are other subsidies that are paid. The farmers of Canada have always been very fair, particularly the grain producers, and willing to play their part. When I hear members like the hon. member for Vancouver-Burrard (Mr. MacDougall) refer to the proposal to pay a certain part of the grain storage charges as a handout, it makes me wonder whether such a member has really studied the situation.

What is the picture? In 1946, when the war was over, the government decided to place a ceiling, not a floor, Mr. Speaker, on the price of wheat. They entered into an agreement under which there was to be a ceiling price of $1.55 a bushel. This was done at a time when we were lifting the ceilings on almost all other commodities in Canada. We were decontrolling steel, farm implements and taking the controls off farm fuels and the other things which enter into the cost of production. The government gave the farmers a proposition. They said that in order to enter into a four year agreement we must be assured a supply of wheat; we must assure Great Britain, our biggest customer, of a supply of grain at a price. The only way we can do that is by placing a floor and a ceiling on grain. At a time when we could have sold wheat at approximately $2 a bushel the farmers were asked to take $1.55 in the interests of stabilization, as it was called.

The farmers responded. They said: All right, in the interests of the over-all good of the Canadian economy, in the interests of the over-all good of the allied countries as well as Canada, we are prepared to go along and take less for our product than we could get on the ordinary market. Then, what happened?

[Mr. Zaplitny.]

As I have already mentioned, the government then proceeded to lift the controls on all the other commodities and left the farmer in the position of receiving a ceiling price for his product for a period of four years while all other prices were decontrolled and costs were allowed to go sky high. They gave them stabilization, all right. In fact, they gave not only one level of stabilization but two. It appears to have reached the state where they have stabilized farm income at a low level and farm costs at a high level. That is the kind of stabilization system that is placing the squeeze on the producers today. That is something to consider when we are talking about parity prices.

The other thing which we need to do if we are going to help maintain prosperity in Canada is to establish the widest and most generous system of social security in this country. How many times have we been told in this debate by hon. members on both sides of the house that it is a good thing, a fine thing, that we have surpluses, that we have more grain, more wheat, more butter, more cheese and all the other good things of life than Canadians can consume at the present time? Perhaps it is. Certainly, it is a better thing to have an abundance than a scarcity. No one will argue about that. But it is only a good thing to the extent that the people of Canada can make the best possible use of all these products, and that goes for manufactured articles as well.

The only reason for production is consumption. So long as the people of Canada can consume the goods that we produce, and have enough of the good things that we produce, we will have prosperity; but in order to obtain those goods they must have purchasing power. They can get that purchasing power either through the products they sell, the wages they earn or through social security measures. In so far as there are people in this country who live on such small incomes, or through misfortune, through lack of health, through an accident or through some other means, are not capable of earning a wage high enough to provide them with the purchasing power they require, it is up to this parliament to see to it, through social security measures, that money goes out in the form of pensions and so forth to provide that purchasing power.

We talk about a surplus of butter in this country, a surplus of cheese and of other things. We all know that while we are talking about them there are thousands, perhaps hundreds of thousands, of people on old age pensions, people who are disabled, people who through illness or accident have had their earning power cut down and are not

buying that very good food because they simply cannot afford it, since their $40 a month, or whatever they are getting, will not stretch far enough to pay the rent, the fuel and the light bill, and then buy enough groceries and clothes to keep them going until the next month. And yet we have been told by minister after minister in this debate that this is supposed to be one of the wealthiest countries in the world. Is it not a shame that we cannot make decent provision for the citizens of this country out of the great abundance that they talk about? Therefore, we need the widest possible measure of social security, not only to cut down and alleviate the suffering of the many unfortunate people in this country, but also to have a medium through which to distribute the purchasing power to buy up the good things we have produced.

We need to do a third thing. The government must be on the lookout at all times, and so must this parliament, to take action at any time that monopolies threaten the economy of this country. We quite often hear people talking about public enterprise. They sometimes talk as if the socialists were a threat to what they call free enterprise or private enterprise in our country. Let me say that there are many people who are engaged in monopoly enterprise who are a threat to the future of this country, a threat to the private enterpriser, the free enterpriser, who is an independent owner of his business. The threat to his future is not from the government; it is from the huge monopolies that are moving in and squeezing out hundreds and hundreds of their small competitors every day. It is a rat race. The corporation, with its huge, unlimited capital, is in a position to take advantage of every small business, and they take advantage whenever they can. Therefore, we must be always on the lookout to take action effectively against the formation of monopolies. It is in this connection that I want to refer to the government's action with respect to the trans-Canada gas pipe line. We had this question discussed back and forth in previous sessions, and recently an announcement was made that the federal government and the government of Ontario had agreed with Trans-Canada Pipe Lines to build a section of the gas pipe line through northern Ontario, the part which is referred to as an uneconomic section, under an agreement whereby this company can buy back that part of the pipe line at a future time on certain terms.

I am not opposed to the government of Canada or the government of Ontario being involved in the construction of a gas pipe line. As a matter of fact, I think that is what should have been done for the whole gas pipe line. From the beginning, it should have been a publicly-owned utility which would be there to serve the needs of all of the people of Canada who could make use of it, and not only for that, but also to provide assurance to the provincial governments through whose provinces this pipe line shall go, and to the municipalities, that when and if they decide upon a public system of distribution of gas within their jurisdictions they will be dealing with the government under a policy of giving everyone an equal opportunity rather than with a private company which might use its power and position to dictate terms to the municipalities and even to the provincial governments.

On the other hand, the government decided to proceed with and to build this part of the pipe line as part of the over-all pipe line from Alberta to the east. The terms I have already stated. I still maintain they are correct. The Minister of Trade and Commerce (Mr. Howe) may deny it; on some future appropriate occasion he will give us his version of it. But generally speaking, the federal government is going to invest about $85 million of the taxpayers' money and the province of Ontario approximately $35 million of public money in a pipe line which eventually, under the agreement, is to belong to a private corporation at an interest rate of approximately 3½ per cent, with the provision that the private company may deduct a depreciation of 3½ per cent during the time they are paying back this advance, and taking over the pipe line. In other words, they are being offered $120 million interest-free loan on a pipe line deal which will be practically a monopoly, and which will be in a position to dominate the distribution of gas and to dictate to municipalities and to provincial governments on what terms they are going to be able to obtain natural gas.

I see it is six o'clock, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Carrick: Will the hon. member permit me to put a question? Before we concluded at six o'clock I understood the hon. member to say that if Trans-Canada Pipe Lines purchased the northern Ontario sector they would pay no interest. I should like to ask the hon. member whether he agrees with the interpretation of the agreement contained in the release put out by the Department of Trade and Commerce on November 21, 1955 in which it was stated that if the northern

Ontario section were purchased the government would receive 3½ per cent on its capital investment.

Mr. Zaplitny: I regret that my time is so short, but may I say that I am aware of what the hon. member has referred to. It is also a fact that in the interim the pipe line company is permitted to depreciate its capital at the rate of approximately 3½ per cent, so the result will be the same as an interest-free loan.

Mr. Carrick: That is not an accurate statement.

Mr. Zaplitny: I wish merely to say in reference to this whole pipe line deal that in my opinion it is an improvident deal. It is an alienation of the natural resources of this country, and the activities of the Minister of Trade and Commerce (Mr. Howe) in the formation of the company with which this agreement was entered into runs very close to a violation of the Combines Investigation Act. As a matter of fact I am not too sure that there was not in fact a violation. Perhaps the Minister of Justice (Mr. Garson) would do his colleague a favour by looking at section 32 and also at the interpretation to make sure that the activities have not involved this government in the formation of a monopoly which is not in the interests of the public, which in fact is detrimental to public interest and therefore a violation of the act.

Mr. A. B. Weselak (Springfield): Mr. Speaker, it is with a great deal of pleasure that I join with other hon. members of the house in congratulating the mover and seconder of the address in reply to the speech from the throne. The hon. member for Timiskaming (Mrs. Shipley) had the signal honour of being the first woman since confederation to move the address in reply and I am sure that the women of Canada were proud of the manner in which she acquitted herself. The hon. member for Bellechasse (Mr. Laflamme) also did as well and could be considered representative of the youth of our country and his splendid speech reflected the increasing activities of the younger people of Canada in the affairs of this country which affect their present and future welfare.

This debate has progressed into its fifth day and it is almost impossible to enter the debate at this time without being repetitious. However, considering the speeches by opposition members I think one would have to go a long way to compete with them in that respect. A great deal of criticism has been levelled at the speech from the throne as containing little for the people of Canada. It is true that the speech from the throne is comparatively short, but on the other hand, as the member for Springfield, I find a great deal in it which will affect the people of my riding and be of benefit to them.

The speech opens with a reference to our international problems. It reasserts our support of the North Atlantic Treaty Organization, of the United Nations Organization, of the Colombo plan and of the United Nations technical assistance program. With the recent change in attitude of the leaders of the communist bloc, which I do not think came as a surprise to anyone, these programs and organizations are of vital importance to us to assure our security and to provide a deterrent to aggression and communist expansion. Had we accepted the smiling diplomacy of the Russians and disposed of NATO as suggested by them, I am afraid that the consequences would be with us now and we would be reaping the harvest of our folly.

The hon. ministers of external affairs, of fisheries and of health and welfare are to be congratulated on their efforts—which in the case of the Minister of Fisheries (Mr. Sinclair) has resulted in serious and painful injury—to find some ground by which peace could be assured in this troubled world. The efforts of the Canadian delegation at the United Nations have brought honour to Canada and are a credit to her statesmanship.

The speech also indicates that the government has been at grips with the western wheat problem, and in the proposed legislation for which it seeks the approval of parliament measures will be brought forward which will alleviate and assist the wheat growers of the west in their present difficulty.

Reference has been made in this debate to the proposal by the government to pay the carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of 178 million bushels as a form of charity.

In the course of this debate statistics have been placed on the record which do indicate that the prairie farm economy in contrast with many other sectors of the country has steadily declined. The farmers of western Canada have in the past pretty well carried their own load in spite of protective devices such as tariffs and patents which have contributed so much to the development of industry and the betterment and security of labour. The advantages obtained by tariffs and patents for the other sectors of the economy have to be paid for, and are paid for by the consumers of the country. Farmers are notably large consumers of industrial products per capita, and on a per capita basis pay a substantial portion of this cost. The farmer must buy in a market geared to our high economic level, yet must sell in competition in markets where the economic level

is much lower than that of Canada. Protection by way of tariffs and patents, though they produce revenue are nothing other than a subsidy paid for by the consumers of Canada.

It might be of interest to note some of the other subsidies paid in this country. My findings show that since 1944 $2 million was paid to the maritime potato growers; $7 million to the apple growers east and west; $6 million to butter producers in Ontario and Quebec; approximately $6 million to Prince Edward Island and Nova Scotia potato growers under the prices support act.

Freight rate assistance from the prairies on feed grain for the benefit of producers and feeders from 1941 to 1954 resulted in assistance to feeders: In British Columbia to the extent of $22,462,939.52; in Ontario, $72,191,724.89; in Quebec, $87,510,698.70; in the maritimes, $38,347,090.19; making a total of $220,512,453.30. To which should be added approximately another $14 million for 1955 making a further total of over $234 million. These are some of the subsidies paid to various sectors of the agricultural economy in an effort to raise them in some measure to our general economic level.

In addition to these agricultural subsidies, in the year 1954 alone a total of $51 million was paid in other federal subsidies. The breakdown given in a statement of national accounts of income and expenditure prepared by the dominion bureau of statistics shows that in the year 1954 $15 million was paid in gold subsidies, $11 million was paid under the Maritime Freight Rates Act, $12 million was paid on coal subventions and $13 million in miscellaneous subsidies.

I have no quarrel with the payment of the subsidies I have referred to. It is far better to temporarily assist those sectors of our economy which are temporarily depressed in this manner than it is to legislate in such a manner as to reduce the economic level of the country as a whole. In this respect our prairie farm economy has temporarily become one of the soft spots and deserves the attention and assistance which is being proposed by the government.

The principle of mutual assistance by Canadians in Canada is further exemplified by the constant efforts of our Prime Minister to finalize and complete the renewal of dominion-provincial agreements which have done so much to equitably distribute the wealth of the nation. The Winnipeg *Free Press* in its editorial of January 13 made no mistake when it stated:

> The federal government's new tax offer to the provinces is excellent. When the history of our times comes to be written this can be expected to rank as one of the acts of true statesmanship to the credit of Canadian Liberalism under Mr. St. Laurent's leadership. It is a major contribution to the economic and political progress of our federal system.

The revised proposals, according to the editorial, will within the general scale of federal-provincial tax dealings give Manitoba a just deal in relation to other provinces, and under the new proposals we unquestionably do get this, along with all the advantages of the existing tax rental agreements.

The construction of the trans-Canada pipe line will be welcomed by the people of Manitoba. Manitoba has been very fortunate that within the boundaries of the constituency of Springfield, which I have the honour to represent, there has been developed on the Winnipeg river 788,000 horsepower of cheap hydroelectric power. We find now we must go farther afield for power, and its production and transmission is going to be far more costly than that produced in the past. The supply of natural gas to Manitoba will provide additional source of energy which will certainly contribute to the expansion of our provincial economy.

Further amendments to the National Housing Act to make it more effective are always welcome, since any incentive to improve housing conditions in Canada will result in a healthier and happier nation. The only suggestion I have at the moment for the government, is that some study be given to reducing the income requirement for country towns, where living costs are comparatively lower. In many deserving cases, this could be lowered, instead of being set at an arbitrary figure. In these towns the local bank managers are making the advances. They are familiar with local conditions and know the circumstances of the individuals involved.

The speech from the throne indicates that parliament will be asked to increase the size of the loans to be made by the Canadian farm loan board and to amend the Farm Improvement Loans Act.

With the increase in the size of a farm now required to establish an economic farm unit, and in the amount of capital required to reasonably equip such a farm, the increased amount available certainly will be a welcomed amendment to the act. The increase in the amount of loan available will not, however, solve the problem if the loan to value ratio is by conservative appraisals brought down to a comparatively low level. In addressing the house on February 1st last year, I pointed out that there was a need for a scheme of long-term credit for the rehabilitation of young farmers and at that time made reference to the success of the work that had been done

by the administrators of the Veterans Land Act in settling veterans on farms following the last war. I believe the Canadian farm loan board could administer a program similar to that instituted for the veterans, under which supervised long-term credit loans could be made to young deserving farmers to establish them on farms, particularly in cases where ordinary commercial credit is not available, which is the case in many of the farming districts of Canada.

The Farm Improvement Loans Act has been good legislation and has done a great deal to provide farmers with low-cost credit to enable them to equip their farms with modern labour-saving equipment, which is so necessary to them to reduce their cost of production. In our area, as in others, considerable advantage has been taken of this available credit; and it has been of great assistance, particularly to those whose farming operations are in the development or expansion stage. It is therefore quite obvious that any amendment designed to improve the operation of the act cannot help but be of further benefit to those concerned.

Amendments are also proposed to the Prairie Farm Assistance Act. In our area, 1954 was the first year in which the act became generally applicable. My experience during the summer months while at home, in this respect, certainly gave me an appreciation of the difficulties encountered in the administration of this legislation. In 1954 the Manitoba government, aware of the dissatisfaction in Manitoba with regard to the operation of the act in many areas, authorized the appointment of a commission to make a study of the act itself and of alternative crop insurance schemes which might possibly be used as an alternative to the present legislation. The report was submitted to the government of Manitoba on September 9, 1955, and I would recommend it to all western members for thorough study, since it contains a wealth of information not only in regard to prairie farm assistance but also in regard to the experiences of the United States federal crop insurance corporation. The report also contains the commission's views regarding the Prairie Farm Assistance Act in Manitoba and suggested amendments to the act, which no doubt have received the consideration of the government and its officials.

In the constituency of Springfield we have the Berens River, Bloodvein, Brokenhead, Fort Alexander, Hollow Water, Little Black River, Little Grand Rapids and Poplar River Indian reserves, which comprise a substantial portion of the Indian population of Manitoba. The Fort Alexander and Brokenhead reserves are located at the south end of lake Winnipeg, while the others range to the north on the east side of the lake a distance of 160 miles. The two reserves at the south are located on reasonably arable land, and I believe a great deal can be done, provided financing and guidance are made available, toward agricultural development of these reserves. I understand that preliminary surveys to this end have been made and I am sure that the interest shown in our Indian population by the Minister of Citizenship and Immigration (Mr. Pickersgill) will result in the closest co-operation between him and our newly appointed regional supervisor of Indian agencies to the advantage of the Indians of Manitoba. I am sure the proposed amendments to the Indian Act will be designed to facilitate the department's work in this connection and will be looked forward to with considerable interest.

Since my entry into this house, I have never made reference to the part the constituency of Springfield has played in the history of western Canada, nor of its importance to the economic welfare of Manitoba. Springfield borders on the province of Ontario north and south for a distance of 222 miles. On the west it is bounded north of the town of Selkirk by the east shore of lake Winnipeg, and south of the town of Selkirk it extends across the Red river to Stony Mountain and then skirts the city of Winnipeg and the town of Transcona. The constituency is representative of almost all occupational, ethnic and religious groups, who live and work amicably together for their common good.

On both sides of the Red river, extending from the city of Winnipeg to the town of Selkirk, are located mixed farms and large market gardens as well as other people located on small holdings and employed in the city nearby. This area is steeped in history, for here is located Lower Fort Garry, built 124 years ago, wholly intact and in an excellent state of preservation. It was in this area along the Red river that the early history of western Canada was enacted and where the story of Louis Riel began.

The central portion of the constituency is located in the Red river, Brokenhead and Whitemouth river valleys, and is one of the finest farming areas in western Canada. I say this despite the fact that in the past two years, owing to excessive moisture, we have had comparatively poor crops and the farmers in this area are at present hard pressed to meet their obligations and carry on their farming operations. This may seem an odd statement, but in 1954—and results will show that 1955 was not much better—the average wheat yield in the municipalities of Brokenhead was 9·5 bushels as against a long-term

average of 19·7; of Lac du Bonnet 5 bushels as against a long-term average of 21·8; of Whitemouth, 5 bushels as against a long-term average of 16·8. One can readily see that they have been affected not only by price squeezes but also by drastic losses in production.

The eastern area of the constituency bordering the Ontario boundary and extending north between lake Winnipeg and Ontario is in the Precambrian shield. Through this area from the lake of the Woods to Fort Alexander on lake Winnipeg flows the mighty Winnipeg river, which has contributed so much to the economic development of Manitoba. It was along this river that the first discoverers of the west travelled to reach lake Winnipeg and then to travel south to where the city of Winnipeg is now located. On this river are located hydro plants generating 788,000 horsepower daily which supply the present needs of the province of Manitoba. On the river also is located the huge pulp and paper mill which provides employment for the communities of Pine Falls, Powerview and St. George and which also supplies winter employment to farmers in the area. This area also provides the finest fishing, hunting, swimming and boating within the areas of the two provincial reserves, namely, the Whiteshell and the Agazis.

Along the shore of the lake there is a great deal of fishing activity and fur farming. The mineral potential of this area has only been scratched. Gold has been mined for some time at Bissett. This area is rich in nickel, lithium, chromite, gold, copper, beryl and molybdenum. The Lithium Corporation of Canada, Falconbridge and Violamac are in the area doing development work and it will only be a matter of time until this area becomes a very important factor in our mineral production.

The problem of surplus wheat stocks has received in this debate a considerable amount of attention, and the opposition have made every attempt to lay the blame for this situation at the feet of the government. The minister and other speakers on the government side of the house have placed on the record facts and figures which show that in spite of ever-increasing difficulties Canada has retained and maintained the bulk of her markets. These speakers have shown that the situation is not an isolated Canadian problem but is a world problem which has developed as a result of several factors over which the government has no control. The first of these is within the country itself. It is the fact that Providence has been good to us and has given us bountiful crops which have resulted in greater quantities being made available for export consistently over a period of years. The second is the fact that crops throughout the world also have been good and that production as a result of subsidization by governments has had the effect of increasing production in traditionally importing countries, thus reducing their requirements and also making more wheat available for export in this country.

In an address to the Manitoba pool elevators at Winnipeg on October 28, Mr. Graham Spry, agent-general for Saskatchewan in the United Kingdom and Europe, a recognized authority on the problem, stated that the prairie wheat problem was not created in the west but is part of the world wheat situation. He went on to explain that it was not Canadian policy which had created this situation. Canadian farm policy, he explained, was stability at a price level which covered the cost of production and met fair and sensible competition. Fair and sensible competition, he said, does not exist and our Canadian wheat is being marketed in a world of production incentives and trade restrictions which have disturbed our normal markets.

In addition, the change in status of the United States from a marginal small exporter to the status of the largest wheat exporter of the world has further disrupted our trade in traditional markets. He described the Canadian wheat policy as the least artificial, the most sane in any country. These remarks were made with the thought that only a meeting of minds at the international level and a return to sane, sound and economic wheat policies throughout the world would solve this vexing problem which is facing the world today.

Previous speakers on this side of the house have placed on the record figures covering production, marketing and export which show that had we had normal production years there would have been no surplus. The solutions suggested by the opposition have been acceptance of sterling and soft currency, barter, giveaways and credit sales, and finally a more aggressive sales policy.

On the question of accepting sterling and soft currency I would refer the house first to an editorial in the Winnipeg *Free Press* headed, "Duping the Farmer", which reads in part as follows:

> The most important of these is the one that Premier Douglas of Saskatchewan fastened on once again in a speech on Wednesday night. It is that Canada should take "payment" for wheat in foreign currencies—particularly in sterling—where sales cannot otherwise be made. This idea makes a certain superficial appeal. That is why it has been around for a long time. But in the form in

which it is usually put forward it is simply a deception a smart-aleck idea from people who ought to know better and care more about the farmer. There is of course no difficulty whatever about taking in return for wheat or anything else, sterling or any other currency. The question is what we can do with the sterling when we have it. The Canadian farmer does not want pound notes. He wants dollars or goods.

The proponents of "sterling sales" talk as if we could get goods in exchange. That is untrue—not by wish of ours, but by obvious wish of the British or anyone else, in their own interests. If, having taken sterling, we are then allowed to spend the sterling on buying goods for Canada, or on making foreign investments that appeal to Canadians, then from the point of view of the United Kingdom they might just as well have paid us in dollars in the first place.

I would refer also to a statement made in Winnipeg before the farmers' union convention by Mr. W. G. Coventry, United Kingdom trade commissioner. In the issue of the Winnipeg *Free Press* of December 6, 1955, there is the following report with respect to what he had to say:

In an address to the Manitoba farmers' union fifth annual convention in Winnipeg and in a later questioning period, W. G. Coventry, United Kingdom trade commissioner, explained why these much advocated policies were not economically reasonable. But the speaker did suggest two practices which he said would stimulate movement of Canadian commodities into foreign markets.

The article goes on to say:

Canada could not sell more wheat to Britain, or to other countries, by accepting sterling, Mr. Coventry said, because it was only "payment deferred". The account would have to be settled with the Bank of Canada later. "You will never get the Bank of England to allow purchase in Canada for sterling", he added. The eventual need to settle with the Bank of Canada would be "a threat hanging over its head". By the same token, no other country would pay for Canadian goods with their own currency.

Giveaway programs were all right at times, Mr. Coventry said. They were better than "destroying the produce". But the British had "a dogged pride" and would not accept a bushel of free Canadian wheat. Mr. Coventry said he did not feel barter agreements were profitable because they called for specific orders to manufacturers to produce goods, specially designed for the other country in the agreement.

With regard to credit sales, sales on credit have been made to Poland, Brazil and Yugoslavia through the medium of the export credit corporation for substantial quantities of grain, and I am sure that should credit be required by any country it will be similarly made available.

With respect to giveaways, I might say that perhaps the United States can afford this luxury but I do not believe we can. In 18 months their giveaway program has cost the United States $1,692 million. To bring this giveaway program into its proper perspective, I think we must recognize that we in Canada export approximately 75 per cent of our wheat production and consume at home approximately 25 per cent. The United States, on the other hand, consumes within their own country approximately 80 per cent of the wheat production and exports a small surplus of 20 per cent. The United States is in much the same position as we are with our butter.

We must also recognize that in Canada any giveaway program of the scale entered into by the United States would have to be paid for by a mere 16 million people compared with the population in the United States of over 160 million. The funds available to the United States government for this purpose can be indicated by the fact that this year's budget in the United States will be in excess of $66 billion while ours is somewhere in the neighbourhood of $4 billion.

I think these comparisons should be kept in mind when we suggest that our wheat surpluses be disposed of completely by giveaway programs. I have no objection to the giving away of wheat to countries which require it and are in need, but I do not think we should disrupt world markets by entering into a war with the United States in this respect. An example of the type of deal entered into by the United States under this program is illustrated by the fact that an agreement was entered into by the United States last October with Japan to provide Japan with $170 million worth of farm products over and above her usual imports. In the deal made with Japan the United States is to accept local currency. Thirty per cent of this local currency is to be held in Japan and used by the United States for offshore installations, military housing, exchange students and to develop United States markets in Japan. The remaining 70 per cent would be used by Japan for the erection of hydro stations, the development of agriculture and the promotion of a Japanese productivity centre. Not a cent of this money will return to the United States. It is nothing but a dead giveaway program. Similar deals have been made by the United States with Brazil, Ecuador, Colombia, Egypt, Israel and Yugoslavia. The result of the United States program has been that while her average exports before the war were roughly 56 million bushels, she now exports in excess of 300 million bushels. These deals are bound to affect and to be reflected in our Canadian exports.

What are some of the things that our government has done to meet this situation? During this parliament the Canadian government entered into an agreement with Japan. It is a reciprocal trade agreement which gave Japan certain concessions and under which Japan also undertook to purchase certain

commodities in this country. For a year or two, as the result of that agreement, we had a splendid market with Japan. We had a very good market and our exports to Japan rose to high levels. But since the United States have entered into their disposal program—and you can hardly blame Japan for this when you consider the deals I have just related—our exports with Japan have decreased. In the long run I believe Japan will be a valuable market of ours but our exports to Japan have been reduced. The Canadian wheat board has been pressing sales by inviting trade delegations from various countries with whom we deal in order to acquaint them with our method of handling growing and shipping our Canadian grain which is the best grain in the world and which has created standards which are acceptable the world over. The wheat board has also worked in our interests by appearances before official bodies in the United States to protect the interests of the Canadian grain producer. Finally, the wheat board has taken a realistic approach in the matter of grain pricing. Where necessary and where it has been advantageous they have reduced the price of grain and have refused to be panicked into a price war. I think the statement of the minister to the effect that orders are coming in at a rate exceeding that of last year certainly justifies this stand on the part of our Canadian wheat board.

The Canadian government itself has twice recently sent delegations to the United States to discuss this problem and to try to arrive at an amicable solution. I understand that a further conference is arranged for the latter part of January to discuss the problem once more. Finally, our adherence to and support of the principle of the Geneva agreement on tariffs and trade is one of the things which is doing a great deal to preserve our markets throughout the world. I feel satisfied that the wheat board and the right hon. the Minister of Trade and Commerce (Mr. Howe) have left no stone unturned to promote sales. As I said before, his statement to the effect that orders are coming in at a fairly good rate certainly seems to justify our confidence in our Canadian marketing policy.

In conclusion, Mr. Speaker, I should like to express to the right hon. the Minister of Agriculture (Mr. Gardiner) the appreciation of westerners for the investment announced last June to be made in western Canada in the amount of $650,000 for the erection of a rust research and science building on the campus of the University of Manitoba. If conditions are favourable to rust, losses on the prairies can exceed $1 billion in an individual crop year. The rust research laboratory in Manitoba over the years has kept pace with the appearance of new races of this scavenger. Anything that can be done to facilitate this work is a sound investment. I am sure our eminent scientists in Manitoba will welcome the building which will no doubt improve their working conditions and increase their efficiency.

Mr. James A. McBain (Elgin): Mr. Speaker, I wish at the outset to add my congratulations to those that have already been extended to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I perhaps feel a little bit more justified than would many other members in this house in extending those congratulations to the hon. member for Timiskaming (Mrs. Shipley) as it was in the riding that I have the honour to represent that the hon. member first saw the light of day and gained her early education. I would assume that her desire to serve in the municipal field was gained from the fact that her father for many years served as councillor and reeve of the township in which I happen to reside. As to the youthful member for Bellechasse (Mr. Laflamme), I was pleased to see him taking an active part in the deliberations of this house.

I wish to turn my thoughts to a few of the problems that face the people engaged in making their living in agriculture. These problems are extremely difficult ones and they face many people in the country. The problems I wish to discuss are possibly more directly the problems of Ontario farmers, although indirectly they concern all the farmers of Canada.

The yearly net income of Ontario farmers has dropped more than $1,000 per farm since 1951. Much of this drop has been the result of the cost-price squeeze in agricultural production. To recover lost income as well as to improve long-term earnings is the prime concern of most farm operators. The question is h-o-w. I may come to the other one later. By how much and how fast can the goal of improved earnings be attained? There are many standards for measuring the success of farm operations. Some may consider a farmer to be a success if he has a beautiful homestead, has well-bred livestock or if his family have a standard of living comparable to that of other dwellers; if they have inside plumbing and a good motor car; and he need not be criticized if it happens to be a Buick or something better. But how is he going to maintain

the standard of living he deserves with the agricultural outlook of 1956 staring him in the face?

Other hon. members have spoken on the butter and the cheese situation and on the situation with regard to wheat and other cereal grains. If we are going to sell our surplus butter behind the iron curtain for 20 cents a pound or more below the floor price and not give the consumers of Canada an opportunity to purchase this storage butter at the same price as that at which it is now being sold to these communistic countries, it would appear to me that something is seriously wrong in the administration of this government and in the handling of our surplus butter.

Let us look at the pork situation. The forecast as predicted by the marketing service of the Canadian Department of Agriculture has this to say:

> For the first quarter of 1956, the increase is forecast to be 5 per cent over the first quarter of 1955 and for the second and third quarters of 1956, a decrease of 3 per cent is looked for, based on surveys of breedings and farrowings. The increase forecast for the next six to nine months would scarcely supply the natural increase in population if the rate of pork consumption on the domestic market remains about the same as during 1955, and exports continue as in the past year.

It is to be hoped that the Minister of Agriculture (Mr. Gardiner) maintains the present floor price on hogs because this forecast of marketings shows that farmers do not see hogs as a profitable business and present breedings are light. It is estimated that around 40 per cent of the population of Canada depends directly or indirectly on agriculture. Therefore, if agriculture continues in a depressed condition it can readily be seen how rapidly this would reflect on the other 60 per cent of the population.

How are the farmers overcoming this high cost of production? I think the farmers as a whole are appreciative of the assistance they have received from the agricultural colleges, the agricultural experimental farms, plant breeders and all of those connected with the science of agriculture. In Ontario I wish to give credit to the Ontario soil and crop improvement association for the outstanding work they have done in the last 15 years in assisting farmers to produce higher yields on the same acreages. Agriculturally speaking, the year 1955 will not be a particularly pleasant one to remember. Farmers can look forward to the year 1956 with less farm workers, higher priced land and less money with which to buy costly equipment. There is a challenge requiring all our mental, manual, scientific and financial resources.

Modern farm practices have resulted in higher yields per acre for the last 10 years. Those yields have been the highest in any 10-year period in the history of Canada. The biggest increases have occurred since 1950. Present day know-how can still increase the production per acre provided the farmer has a market for the products he produces. How far and how fast yield increases can be continued will depend on the returns farmers might reasonably expect for the hours of labour it takes to produce the product. I sincerely suggest, Mr. Speaker, to this government that they give more serious consideration to the difficulties of the agricultural producers than they have in previous years.

(Translation):

Mr. Maurice Breton (Joliette-L'Assomption-Montcalm): Mr. Speaker, I am pleased, at the outset, to extend my sincere congratulations to my hon. colleagues for Timiskaming and Bellechasse (Mrs. Shipley and Mr. Laflamme) for their excellent speeches on the address in reply to the speech from the throne.

The reason I rise tonight is to refer to the federal-provincial conference on health insurance projects which is to be held January 23.

The numerous representations made to us by the public, the personal commentaries of doctors and medical bodies, the large amount of data compiled by the Department of National Health and Welfare, the legislation passed by the present government at the time of the Right Hon. Mr. Mackenzie King to prepare a health program in 1948 and the additional credits voted since then are excellent groundwork to the study of a national health insurance plan. As far back as 1935, the Bennett government had created a survey commission to investigate the problem of health insurance in Canada. It may be recalled that the scheme submitted at that time had been declared ultra vires.

In 1937 the recommendations of the Rowell-Sirois commission included suggestions with regard to health and health insurance in Canada.

In February, 1942, the Mackenzie King government instituted an advisory committee on health insurance and, in March, 1943, that body submitted a draft bill to the social security committee of the house. In 1943, the parliamentary committee on social security approved the general principles of the bill, but proposed some amendments which went through in 1944. In 1945, the Hon. Brooke Claxton suggested to the federal-provincial conference held at that time a

national health insurance scheme whereby the federal government would pay 60 per cent of the cost, and the provinces 40 per cent.

On May 14, 1948, the Right Hon. W. L. Mackenzie King announced a national health scheme entailing an annual expenditure of approximately $35 million up to a total of $167 million.

In 1953, an additional amount was provided until 1958, bringing the grand total to $386 million, to be expended over a period of ten years, from 1948 to 1958.

As a result of that preliminary plan, about 46,000 beds have been added in hospitals for the care of adults, together with several thousand beds for children, not to mention the many spheres in which the government provided subsidies for sanatoriums, for tuberculosis control and so forth, all necessary elements in the implementation of a national health program.

At the federal-provincial conference of last October, and following the preliminary talks of April 1955, the right hon. Prime Minister (Mr. St. Laurent) made a proposal involving support of a national health insurance plan provided it did not require constitutional amendments, and provided that the majority of the provinces and of the people were in favour of the scheme.

The necessity to provide for a health insurance plan is a result of two very important factors. First there is the obligation to maintain the standard of health in Canada. But in view of the vastness of our country, and of the special characteristics of its various areas, the government must step in at all levels to ensure medical care to the whole population. The second factor comes from the tremendous rise in the cost of medical care and hospitalization, which again requires government assistance if we don't want more and more of our people to be deprived of adequate medical care. Thus, a medical board connected with army recruiting and entrusted with preserving and organizing medical care for the whole of Canada, made some remarks concerning the extent of our territory and the difficulty of providing medical care for everybody.

At a forum organized by this committee throughout Canada, a citizen of Bury, I think, in the province of Quebec, said: "We have here with us two undertakers and no doctors, so we can die when we please." Over the radio, another one from Lennoxville stated: "All of us dread doctors and hospitals, knowing that many of us have spent a lifetime paying for the costs of a couple of operations or of protracted illness." These two statements summed up the comments which had been made throughout the country.

It is for these reasons that the government must help. Already, in some parts of Canada, several provincial governments have adopted legislation to help the public through compulsory health insurance.

British Columbia, for instance, has a compulsory health and hospital insurance plan. Alberta and Saskatchewan likewise have plans whereby the public is obliged to contribute to the costs of health insurance.

British Columbia has a general hospitalization service covering all hospital costs, excluding medical costs. A 5 per cent sales tax serves to pay the cost of the program.

Alberta has a municipal hospitalization plan and a provincial plan for maternity, cancer and polio cases. Municipal plans are financed by means of a local land tax and provincial subsidies. The provincial plan is financed through the general revenue of the province. One hundred and seventy-three municipalities of Alberta, involving 93 per cent of the population, contribute to a compulsory insurance plan.

Saskatchewan has set up a compulsory hospitalization insurance plan for the entire province. This plan covers hospital costs, drugs, laboratory costs and operating-room costs. This insurance is financed by means of an annual tax of $10 per capita to a maximum of $30 per family. In addition, Saskatchewan is trying out a regional compulsory medical and hospital insurance plan in Swift Current. In 1953, 20,400 families were covered by this complete medical, dental and hospital protection plan. In 1954, the annual tax amounted to $18 for a single person and could reach a maximum of $44 for a family of four or more. This is a personal as well as land tax. It will be recalled that a referendum was held in Swift Current a few months ago in which a farm population in general voted against the establishment of a system of compulsory insurance, which, of course, forced the local government to revamp its policy in the matter of health insurance.

The province of Newfoundland has what is called a voluntary hospitalization insurance plan, known as the Cottage hospital plan. Hospitals are made up of 18 cottages

comprising 503 beds for adults and 113 beds for children. The cost of this compulsory insurance varies from $7.50 to $18 for single persons, according to localities and from $15 to $36 per family, also according to localities served.

In the rest of Canada there is no compulsory insurance for the time being, although the province of Ontario has just stated that it was necessary to organize an insurance system, apparently compulsory, which would require the co-operation of the federal and provincial governments. This means that our people are more than ever ready to try out the plans being carried out in certain provinces and in other countries. Thanks to the experience gained in the world, particularly in England, Sweden and France, people are getting more and more convinced that, for the protection of the public and the attainment of a higher standard of health in this country, a national system of compulsory insurance must be adopted.

As early as 1942-43, an inquiry committee set up by the federal government showed that 32 countries had a compulsory health insurance system. On the other hand, nine countries had a voluntary insurance plan, among them Sweden, which, in my opinion, is one of the most advanced countries from the point of view of social legislation. Around 1942 the president of the Canadian Medical Association, Dr. McPhedran, who was also a member of the medical investigating committee, stated that the tendency of medical science was to specialization, because general practitioners are unable to earn an adequate income without resorting to surgery, and that any system of medical organization should, first and foremost, be based on preventive medicine. What Dr. McPhedran said in 1943 is even truer in 1956.

It is quite interesting to note the present tendency of medicine in this country. For instance, in 1954, 73·7 per cent of Canadian doctors practised in communities of 10,000 people or more. In the province of Quebec, more particularly, this proportion was 77·6 per cent, and a little above that, which means that only 22 per cent of physicians practise in cities of less than 10,000 population.

Furthermore, the tendency to specialization that began several years ago is gaining momentum. Indeed, in 1954, only 43·2 per cent of doctors in Canada were general practitioners, although the proportion did not exceed 38·7 per cent in the province of Quebec, whereas in 1948 the percentage of general practitioners in our province was 47·9. The reason for this, according to a doctor friend of mine, is that preventive medicine is altogether unprofitable for the physician. The necessity of earning a living is driving doctors to hospital service where they command substantial fees. The ordinary physician does not dare send his patients to a hospital for a medical examination that might well cost them $200 and even $300, and would not be covered by some insurance scheme. On the other hand, whereas a hospital examination today is costly, a consultation by the family doctor only brings him $2 or $3. Therefore, Dr. McPhedran was perfectly right in stating that health insurance should first of all be based on preventive medicine.

In 1956 as in 1943, doctors naturally tend to establish themselves where they can more readily specialize either in surgery or some other branch. Doctors fear that health insurance will ultimately protect only hospitals and specialists and afford no protection to the public at large or to the family doctor. We must therefore organize health insurance plans that would enable them to make reasonable profits through the practice of their profession without having to take up surgery or some other specialty.

Many people come in to see us—I am sure that all hon. members have received the visit of some of their constituents who showed them fantastic bills for hospital and medical care. Only a few days ago a postmaster who earns but $150 a month was telling me that he had paid out $7,000 for hospital treatment, operations, fees and medical care for his son. It is not surprising that these people should come to us to request assistance from the government. They say outright that they cannot bear this expense.

I ask you, Mr. Speaker, is it normal that, in a country like ours with well organized medical services—there is one doctor for 983 people, that is 16,000 in all in Canada—half the population should be unable or unwilling to go to hospital.

We have, particularly in the province of Quebec, a system of public assistance which, to my mind, is altogether inadequate and is a real disgrace, especially to the patient who has to beg for charity when he is under public care.

In 1952 the public hospitals of the province of Quebec took in 52,326 charity cases.

The provincial and municipal governments paid about $7.00 a day for these patients, while in 1954 hospital expenses in Quebec rose to $10.26 per capita, which means that our hospitals had to carry a daily deficit of $3.26 for each public patient. This kind of patient remained an average of 19 days in hospital, while private patients, who were obliged to pay their own way, only stayed about 10 days. Therefore, public patients now get 19 days paid, and those of average means must carry the burden of the deficit. These are the people who, when they call on us, show us hospital bills that might be called utterly fantastic.

I submit, Mr. Speaker, that it is time for a concentrated action by the governments in the field of health insurance. People criticize the English scheme, which in 1953 cost 486 million pounds sterling for 48 million people; yet this insurance, which covers dental expenses, medical expenses at home, drugs, hearing aids, all hospitalization costs, diagnosis and doctors' fees and even capital investment for the building of hospitals and their maintenance, cost only $28 per head, whereas our own medical costs are much higher and cover only a small part of our medical needs. If a critical comparison is made between the English and the Canadian systems, the conclusion is not in favour of our system.

France, which attaches great importance to public health, has a system of preventive medicine. Every French citizen has a health booklet and has to undergo at least four complete medical examinations during his lifetime. These examinations include laboratory tests and X-ray inspections which are free, in that they are paid for by the insurance plan.

There are now in Canada 17 non-profit health insurance companies, such as the Blue Cross, which offer group insurance.

In addition, some 60 private companies specialize in health insurance. Unfortunately, in the province of Quebec, no insurance company offers to individuals the advantages of group plans as in Ontario. In Ontario, the Blue Cross is the only company offering to pay the full cost of hospitalization; there is only one limitation to that insurance, that is 120 days in hospital.

There are at present in Canada 4,300,000 people who have insurance policies in various companies or non-profit organizations.

Needless to say that the figure is impressive at first glance, but one must also consider that those insurance plans are divided into two categories.

There is the extensive plan which is called in English the "Comprehensive Plan" and there is the limited plan. The comprehensive plan includes medical and hospital care and covers a fairly large field; the limited plan offers some kinds of hospital or medical care as provided in the policy.

There is an untold number of insurance policies which are absolutely illusory and which are sold by companies not much concerned with the interest of the patient. Here is an example of an insurance costing $40 for a family of three people. A child of a subscriber was involved in an automobile accident. The cost of treatment of a fractured leg was $500. The insurance company paid $60 to cover all expenses. When I think of the millions of insurance policies which are drawn up this way, I can say that this protection is fictitious. I could mention an impressive number of such cases.

In the province of Quebec only 35,000 people are protected by comprehensive plans such as that offered by the Blue Cross. I am aware that some workers are covered by excellent group insurance plans but these, unfortunately, only protect a part of the population. That is why I have nothing against group insurance plans which are of great service to a large number of Canadians.

Personally I am opposed to a compulsory insurance plan for Quebec since I am still a believer in the virtues of private enterprise, as long as in the field of health insurance, it is assisted and controlled by the governments.

If we consider Canada's infantile mortality rate, we cannot say that we are living in the best country in the world. Canada ranks thirteenth among the countries of the world in the matter of infantile mortality. The rate of Canada's infantile mortality is 38 per 1,000, but in Quebec it is 50 per 1,000. This province's mortality rate among pregnant women is higher than elsewhere. Its mortality rate from tuberculosis is too high. We have much to do if we want to improve public health. If we want our people to benefit from medicine, we have to put medicine within their reach. I do not think that doctors are opposed to a plan of health insurance; quite

the contrary is true. But doctors in general believe that preventive medicine would bring them absolutely no revenue, if they are not effectively protected by insurance plans.

In all insurance companies, there is nothing at present which permits protection against disease or maintaining a person in good health.

Someone had this witty remark one day about medicine in the Orient: it seems, he said, that over there the doctor is paid to keep his client in good health and that he has to attend him for nothing when he is sick. That may seem paradoxical, but what could be more logical after all?

If we examine the health problem in Canada, due to the immense size of our country, we must conclude that governments have to act. I know that the federal government has been working for a number of years on the preparation of a program which will permit every citizen of this country to participate in an insurance program that can protect them.

I repeat that in the province of Quebec I do not believe that a compulsory contributory insurance system would be practical. There is a big difference between compulsory insurance and a program of protection for the public. That is why I would like our province to co-operate with the federal government, which is ready to pay the larger part of the costs, 60 per cent, with the provinces paying 40 per cent. I believe that in order to ensure medical care, the better part of the public is willing to insure through insurance companies, without any necessity for coercion. We must allow people to buy protection from insurance companies as individuals at reasonable rates without having to belong to a group. These insurance companies should be allowed to band together and to carry the main load themselves, especially as regards hospital and medical costs. The federal government should ensure that policies be uniform. As you know, at this time a great many insurance policies are sold by agents on commission. In certain cases these policies are sold to people in good health but are cancelled by the companies as soon as the insured party falls sick. If insurance companies agreed to be integrated in a global plan, I believe that the provinces, with the help of the federal government, could pay the costs of preventive medicine, of diagnosis, laboratories and analyses and also assume, as suggested by Premier Frost at the last conference, the costs of hospitalization after a period of 50 days.

[Mr. Breton.]

The protracted illness is what many people are afraid of. A good number of people can afford the cost of 15, 20, 30 and even 40 days of hospitalization. But when it comes to chronic disease, they are absolutely helpless and these people are definitely ruined and in final analysis, become dependent on the government. That is summed up in the following statement made by the Lennoxville farmer on the occasion of the forum I spoke of a while ago. "We are all afraid of hospitals and doctors because we know that one or two operations or even a protracted illness will put us in debt for years to come".

I wish to draw a few conclusions before closing these few remarks in French. We could talk at great length on health insurance as there is so much literature on this matter. Once you delve into this problem, you can find literally tons of documents in the Department of National Health and Welfare, which proves that the government has had the matter under active consideration for years. If the problem has not yet been solved, it is because it is very complicated.

There is certainly much to do to set up a health program in Canada. Whether such a program be compulsory or not, it still remains that the provinces should organize a system that could be integrated into a national health insurance scheme. I am confident that the present government will co-operate in that direction as the Prime Minister has given to understand.

To conclude, I would like to summarize the four main points of my remarks—I made them as they came to my mind, and there may have been some overlapping of the ideas I put forth.

1. Health insurance must encourage and organize preventive medicine which so far has not been the case; this is, moreover, in accordance with the recommendation of medical associations;

2. The ordinary physician must be reasonably compensated for his services and especially for preventive medicine care which he is called upon to practise more and more if he wants to conform with the spirit of medicine;

3. National health insurance is not necessarily compulsory insurance. Voluntary plans integrated into provincial legislation may be very useful;

4. The formula of public assistance, such as is now implemented, is unfair to needy

people as well as to the middle class which, under the present system, must pay prohibitive hospital costs.

In closing, may I say that a complete national plan of health insurance would require the payment of unemployment benefits to unemployed people when they are sick. I know that this might require a constitutional amendment, a problem which would be solved at the next federal provincial conference which will open this coming January 23. It would be good to broach this problem. If we really want to deal with the problem of health and health insurance, we must also guarantee unemployment benefits to the head of a family when he is sick. True it is that he gets benefits at present but only if he is sick while unemployed. All that would be required would be to state that illness is a cause of involuntary unemployment.

(*Text*):

Mr. Speaker, it is not my intention to repeat in English what I have already said in French on the problem of health insurance in Canada. However, I should like to sum up this subject by saying that, according to the declaration of the Prime Minister (Mr. St. Laurent) at the federal-provincial conference of October 1955, the federal government is in favour of helping the provinces in promoting a national health insurance plan.

Personally, I am not favourable to a compulsory health insurance plan in the province of Quebec. It is my opinion that each province should organize at its own choice either a compulsory or an optional insurance plan, provided it can be integrated in a national plan.

We already have 17 non-profit insurance schemes in Canada and about 60 private corporations offering insurance plans throughout the country. It seems to me that these private corporations could institute a plan which could be integrated in a provincial scheme by co-ordinating their plans with those of the provinces.

There is no doubt that the average person cannot pay $40 to $50, which amounts approximately to $200 a year for a family of four people, to be protected against the risk of sickness. I believe, however, it would be possible to have a comprehensive insurance plan by which the private societies could bear the bulk of expenses, the provinces providing part of these expenses by paying the cost of diagnosis and laboratory examinations along with the hospitalization cost for sickness over 50 days, as was proposed by the Hon. Mr. Frost.

I may add, because I forgot to point this out when I spoke in French, that the costs connected with the treatment of sickness are rising very rapidly in our country and are reaching the point where they exceed the capacity of the patient to pay them. In 1945 these costs were ascertained to be about $21 a year per head. At the conference of last October they were estimated to be about $38 per head, and Mr. Frost estimated these costs to be $44 a year per head. The cost of caring for the insane amounts to an additional $8 or $10 per head. Therefore we are obliged to consider that for full protection of people against sickness it would cost about $50 per head a year. That means about $200 for a family of four persons. There is no doubt that the ordinary people of Canada are unable to carry these costs of sickness. That is why I am in favour of a national health insurance plan.

It is impossible for me in these few words to cover all the arguments in favour of a national health insurance plan but I should not like to resume my seat without congratulating the Minister of National Health and Welfare (Mr. Martin) on the considerable amount of preliminary work he has accomplished to date in the field of health insurance in order to round out the different social security programs which are so vital to the welfare of the people of Canada.

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, the only true way I can express my feelings in entering this debate is to say that they are feelings of anger and deep concern over the attitude of the government with respect to the issue before parliament. The C.C.F. have moved a vote of non-confidence in the government on the basis of the treatment being meted out to our western farmers and the fact that the government have done nothing about the urgent and serious problems facing not only western Canada but, indeed, the whole agricultural economy of this country.

The C.C.F. are asking that there shall be paid to the farmers cash advances on farm stored grain of not less than 75 per cent of the initial price in order to alleviate the serious financial crisis now confronting western farmers. First of all, may I say I am quite disappointed that western members of parliament of the Liberal party have, in my opinion, failed to put before the house the true aspects of the situation prevailing in that part of the country. I am truly disappointed

that the hon. member for Qu'Appelle (Mr. Mang), the hon. member for Meadow Lake (Mr. Harrison), yes, and the Minister of Agriculture (Mr. Gardiner) have not seen fit to get up in the house during this debate and place before hon. members the true situation respecting the plight of western farmers.

I say it is not sufficient for the Minister of Trade and Commerce (Mr. Howe) or the hon. member for Rosthern (Mr. Tucker), who is in his seat at the present time, to try to intimidate any western member, the farmers or the farm organizations so far as their support of the wheat board is concerned. I challenge the Minister of Trade and Commerce, who is in his seat, to bring before the house an amendment to the Canadian Wheat Board Act to bring rye and flax under the control of the Canadian wheat board. I guarantee him that every last member of this party will support it.

I say too, to the hon. member for Rosthern that he cannot intimidate the farmers of western Canada. The hon. member has a right to his own opinions but I feel that for many years he has been doing the same thing he did in 1945 when there was a discussion before the house with respect to the taxation of co-operatives. I recall well, as will all hon. members who were in the house at that time, that in his formidable and emphatic way he asked himself the question how he should vote. The hon. member for Rosthern had his hand raised in an emphatic gesture. He said, "I ask myself the question", and an hon. member sitting in front of me replied and said, "You will get a foolish answer." I think the hon. member for Rosthern has been getting foolish answers down through the years.

I say to him that I do not think he will find one farm organization in western Canada which does not support the Canadian wheat board. I say too that he will not find a western farm organization which does not support cash advances, interest free, to western farmers. The hon. member for Swift Current-Maple Creek (Mr. Studer) spoke in this debate but from what I heard him say it would seem the only solution he has to offer to solve the glut of wheat we have in the country is that people should eat more. I suggest that is comparable to the reply of Marie Antoinette of France when the authorities said to her that the populace did not have bread and she answered, "Let them eat cake".

The western farmer today is in the worst cash position he has ever been in. Speaking from personal experience, because I have farmed for some 20 years, I have never seen the western farmer in as difficult a cash position as he is at the present time. I have been lucky in my farming down through the years, and through good luck, good health and a host of friends I have achieved a reasonable amount of success. However, I say to the government that they have betrayed many young men who came back from the forces in 1945 and took up farming. They have betrayed them because they took off price controls in 1946 and 1947, and since that time the price of agricultural implements has risen by leaps and bounds.

What is the government doing today to keep faith with these thousands of boys who came back and went on farms? I can take any hon. member and show him within two hours driving distance of my farm dozens of young farmers who came back, went into farming and today are loaded with debt because their gratuities were not sufficient to enable them to carry on and maintain a decent standard of living. I say to the hon. member for Qu'Appelle, who has not seen fit to rise in this debate and tell the house what the conditions of the farmers are in his constituency, that I recall during a debate on agriculture and the wheat situation last year he rose in his seat and said to the house that when coming here he had flown over Port Arthur and he knew that all was well because from the aeroplane he had seen the boats going out of the port. That is not a true picture of the situation. The true picture comes to us through various sources, but sometimes the sources do not assist in presenting a true picture.

I want to refer to some of the newspapers of this country that have tried to put before the people of Canada the true position with respect to the farm situation. I have here a clipping from the *Globe and Mail* of December 1, 1955. In dealing with the plight of western farmers the editorial points out that the farmer's income has been cut by two-thirds in four years. The editorial goes on to say:

> The question does not concern the western farmer alone. It concerns all three prairie provinces, and all the people living in them, who are as dependent upon the farmer as he is dependent upon wheat.

It goes on to say that these farmers have a right to prosper. This afternoon an hon. member from the Liberal benches who sits over in the far corner asked the hon. member for Yorkton (Mr. Castleden) how many farmers were bankrupt in his constituency. Is that the attitude, is that the philosophy of the Liberal party, that we are going to meet this situation by finding out how many bankrupt farmers there are? If it is, I am going to say that not only will the situation in

respect of agriculture be a deplorable one and one which will get worse and worse but it will also take the Canadian economy down with it. I can truly say that we have a situation which is perhaps comparable with that of the 1920's.

Mr. Richardson: Mr. Speaker—

Mr. Speaker: Order.

Mr. McCullough (Moose Mountain): Is the hon. member rising on a point of order?

Mr. Richardson: May I ask the hon. gentleman a question?

Mr. McCullough (Moose Mountain): I have not sufficient time. I have less than 15 minutes. If it were an intelligent question or a more intelligent one than that which was asked this afternoon, I should be quite happy to answer it.

Mr. Speaker, the *Globe and Mail* in an editorial of August 3, 1955, has this to say. It states that in the United States during the 1920's the agricultural situation was comparable to the situation we have in Canada today. It first took place in one sector of the economy and gradually grew until we had the calamity in the late twenties. That could very well happen again. I am not predicting it. I do not want it to happen. But if more attention is not paid to that sort of thing, it might well happen again in Canada.

In addition, I want to refer to the falling sales of farm machinery. This article is taken from the Ottawa *Journal* of August 15, 1955. It illustrates the fact that the farmer has been forced into mechanization in order to increase his efficiency. All during that time he has had to buy on a highly inflated market, paying those prices which we have had gradually increasing since 1945 when this government threw price controls out the window, allowed prices to go up and allowed these machine companies to gouge the farmers for all the traffic would bear, or indeed for all their pockets would bear. This article points out that in 1954 sales of all farm implements in Canada dropped 38 per cent or more than $92 million, and that even the sale of parts went down 14 per cent.

This situation can mean only one thing, Mr. Speaker. It means that if the situation continues we are going to have less efficient operation. It is going to mean that the farmer will not be able to continue to operate with the efficiency that he has shown in the past. The article continues, showing that it is going to mean fewer jobs in other parts of Canada. For instance, it says that the sales in Saskatchewan have dropped by more than one-half. It also shows that the people working in plants manufacturing agricultural equipment in eastern Canada have fewer jobs than they had in the better years prior to 1952.

Then again we have the Montreal *Gazette* coming to our rescue in a way by trying to point out to this government the situation in respect of farm income. I refer to the *Gazette* for October 20, 1955. It shows that the income is now down to the 1947 level. Surely all hon. members can understand the plight of the farmer when this sort of thing prevails. It indicates that the farmer is receiving less and less income while many of the segments of our economy are enjoying greater prosperity. It is not fair or just when we have—as we have in Canada today—about 20 per cent of our people working on farms, engaged in agriculture, and receiving somewhat less than 8 per cent of the national income.

Again we have the price squeeze spoken of in many editorials in papers across this country. The Winnipeg *Free Press* points out that this government has not seen fit in any way to effect some assistance to the farmer. In an article of September 17, 1955, it indicates that even with the tariffs and customs on certain farm implements, the farmer is paying one-third more than he would otherwise have to pay. We in Canada are living in an economy which is in some measure protected. By that I mean that industry is protected. However, the farmer is obliged in many cases to pay for his farm machinery and parts one-third more than he would otherwise be obliged to pay. This article goes on to say that the sales of parts in Manitoba in 1954 dropped by 12 per cent from the 1953 figures and that parts sales in Saskatchewan dropped by 30 per cent.

This situation affects our whole western economy. It affects our merchants and of course it affects our municipalities as well as our everyday living. It is a matter about which we are tremendously concerned. The truth is that we have a depressed farm income.

The Windsor *Star* comes to the rescue of the farmer and tries to point out to the people what is happening. Surely this government reads these things and should know them. It indicates that Professor K. A. H. Buckley of the economics department of the University of Saskatchewan says that Canada is suffering an economic problem with regard to agriculture. It goes on to say this:

> That being the case, the Canadian government is riding along with the wheat problem, hoping something will turn up.

These are facts, Mr. Speaker. They are not something concocted by any C.C.F. group in this country. I think this government

should measure up to its responsibility at this time. In the Ottawa *Citizen* of December 22, 1955, it is said that farm income has dropped 23 per cent in the last four years. Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, states this and he has this observation to make:

"How would anyone else like to take a 25 per cent salary cut?" he asked. "We are not hollering blue ruin or depression, but now is the time when the downward trend must be checked."

That is why, Mr. Speaker, we of this party hope that this government will take some of these statements seriously and that they will do something in respect of the farm problem.

It is true that Saskatchewan is the hardest hit of all the prairie provinces. I have here an article which appeared in the *Globe and Mail* of September 17, 1955, and which indicates that in the first half of 1955 farm income was cut by $30 million. You can see what that means to our Saskatchewan economy. We are not asking for something unreasonable, Mr. Speaker. But when the Canadian economy is rather buoyant and when we have corporation profits as they are today as indicated in the *Financial Post,* we think we should have the type of policy which will fit the situation and result in building this nation from coast to coast, giving equity and justice to all our people.

I have here a clipping from the Toronto *Star* of October 7, 1955, indicating that the profits of corporations were 27 per cent higher for the second quarter of that year and that they rose 22·6 per cent over the $664 million for the corresponding period the previous year, according to the bureau of statistics. I am happy to know that industry is doing well but I think we can have policies of justice. I think we can have policies which will give fairness and equity to all our people. This year the farm people have worked and provided foodstuffs—as they have done in the last five years—not only for this country but for a hungry world. We find them today with their bins full of wheat. In the last two months, because of the fact that they have not been able to provide proper storage facilities, thousands and thousands of bushels of wheat have been ruined by the high winds. The wheat has been blown for miles where it will never be able to be used. We have other grain stored where it is deteriorating month by month. Yet this government, with a gross national product of $26 billion, sits idly by and never lifts a hand to help our farmers build proper storage for their grain. All we are asking is that we have a second look at this problem.

[Mr. McCullough (Moose Mountain).]

I do not believe western members who represent agricultural constituencies here are doing justice to themselves or to the people they represent. They should be coming down here and telling the true story.

I want to say a word to the hon. member for Qu'Appelle (Mr. Mang). I have farmed on my farm for over 20 years, yet it is difficult to provide proper storage because the income has never been sufficient to do it. When you have young veterans returning to these farms, who have been farming during these difficult years of rising costs, trying to store their grain and then losing their income year after year—no wonder we are mad. I made an assertion to myself that if I ever had the opportunity to come to this house I would speak for my people.

Over the years I had some military training. I took training at the royal school of artillery and enlisted for active service in the last war. I was denied the opportunity to fight for my country, but I am prepared to come down here and fight for the boys who fought over there so they will have justice. When this government sees fit to allow this kind of situation to prevail and to allow these cartels and monopolies to take out of the people the kind of profits and the kind of prices they are doing today, I want to say, Mr. Speaker, that they have betrayed those boys who went to fight for the country.

Mr. Speaker: Order. I have just been informed by the Clerk that it is now 9.45 and pursuant to the provisions of standing order No. 38, paragraph 3, it is my duty to interrupt proceedings and forthwith put the question on the amendment to the amendment.

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

YEAS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Girard
Green
Hahn
Hamilton (Notre Dame de Grace)
Hansell
Harkness
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell

MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
McLeod
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Noseworthy
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—80.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dumas
Enfield
Eudes
Eyre
Fairey
Fontaine
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters—150.

On motion of Mr. Hahn the debate was adjourned.

BUSINESS OF THE HOUSE

EXPLANATION RELATING TO SOME PROVISIONS OF STANDING ORDER 38

Mr. Speaker: With the indulgence of the house I should like to very briefly explain two points in relation to standing order 38, paragraph 3, because several questions have been put to me. The speech of the hon. member who was in possession of the floor at 9.45 must be considered as concluded, even if he had not then spoken for forty minutes. He has, however, full right to speak on any subsequent amendment or subamendment. This is my first point.

The second point relates to time. The monitoring of the time limit imposed by standing order 31 has been controlled by the Clerks at the table. Their timekeeping is always most accurate. Therefore I relied, as hon. members may have noticed, for the exact time at which I had to interrupt the proceedings and forthwith put the question on the subamendment this evening, not on the clocks surrounding this house, which although very well supervised may go out of order, but on the announcement by the Clerk that it was 9.45. If it meets with the approval of the house I shall be guided likewise in the future for all similar interruptions contemplated by our standing orders.

It being ten 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:

NATIONAL DEFENCE EXPENDITURES

Question No. 5—**Mr. Balcom:**

What were the total expenditures for the years 1954 and 1955 for national defence, including (a) service pay; (b) civilian pay; (c) supplies, including provisions; (d) other expenditures?

Answer by: **Mr. Campney:**

	1954 $	1955 $
(a) Service Pay and Allowances	337,922,673	365,533,282
(b) Civilian Pay	128,976,658	139,293,398
(c) Supplies, including Provisions	831,401,678	749,003,209
(d) Other Expenditures	437,420,936	508,610,618
Total Expenditures	1,735,721,945	1,762,440,507

NATIONAL FILM BOARD—TELEVISION SETS

Question No. 7—**Mr. Fraser (Peterborough):**

1. Did the national film board purchase any television sets for the use of film board members or other film board employees, to be used in their own homes?
2. If so, how many?
3. What kind of sets were bought?
4. From what firm or firms were they purchased?
5. What are the names of the manufacturers of these sets?
6. What was the total cost of such sets?

Answer by: **Mr. Pickersgill:**

1. The national film board purchased T.V. sets for use in the homes of some of its permanent staff engaged in the production and distribution of film for television.

2. Ten.

3. Standard table models.

4. Three sets from General Electric (the manufacturer); four sets from Ahearn and Soper; one set from Service Supplies Limited; one set from R.C.A. Victor (the manufacturer); one set from Thorgood Radio Limited, London, England.

5. General Electric—3 sets; Hallicrafter—1 set; Westinghouse—3 sets; R.C.A. Victor—1 set; Pye—2 sets.

6. $2,439.71.

Note: These sets were bought by the national film board, and placed on temporary loan in the homes of certain employees engaged in the production and distribution of films for television.

The treasury board came to the conclusion that television sets should not be provided in this manner to employees by the film board, and the board therefore recovered the sets for the purpose of turning them over to the Crown Assets Disposal Corporation.

HOUSE OF COMMONS

Friday, January 20, 1956

The house met at eleven o'clock.

EXTERNAL AFFAIRS

REPORTED EXPORT OF MILITARY EQUIPMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I ask leave under standing order 26 to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the need for a definite government policy regarding the shipments from Canada to foreign countries of arms, military equipment and ammunition and the effective supervision thereof.

Mr. Speaker: Mr. Drew asks for leave under standing order 26 to move the adjournment of the house for the purpose of discussing a definite matter of public importance. He has indicated that the matter in question is the need for a definite government policy regarding the shipments from Canada to foreign countries of arms, military equipment and ammunition and the effective supervision thereof.

As the house knows, according to standing order 26, it rests with the Speaker to decide, not only whether the motion for leave is in order, but also whether in his opinion, that is, in the Speaker's opinion, he thinks that it is of urgent public importance. Under our practice, a matter of urgent public importance is understood to be one with regard to which there is urgency of debate.

I do not know to what extent I should preserve the line of reasoning that I and many of my predecessors have followed, namely, that whenever there is a debate like the one currently going on, which gives the opportunity to hon. members to discuss a wide range of subjects, motions such as this one have not been allowed. I am inclined today to follow the precedents that have been established. Today is the seventh appointed day of the debate on the address in reply to the speech from the throne. There are still three more days.

We all know that the hon. member for New Westminster (Mr. Hahn), who adjourned the debate last night, will shortly obtain the floor and, on the basis of our memory of what has happened in previous sessions, is likely to move another subamendment which will give hon. members the right to speak for 40 minutes each. Therefore they can debate at great length the matter proposed for this day in the motion now before me. In view of that I would submit that all those who wish to put forward points with regard to this matter can take advantage of the debate which is going to follow shortly on the amendment to the amendment about to be moved by the hon. member for New Westminster. In these circumstances I do not think I would be justified in accepting the motion.

Mr. Drew: Mr. Speaker, may I with deference place a consideration before you. While I recognize that such a dispatch need not necessarily be taken as evidence that the facts are so, the Canadian Press carries a dispatch this morning that there has been a permit issued for the shipment of 25-pounder shells out of Canada to an area where there is disturbance at the present time and that the permit order is dated since the disturbance actually began. Having regard to that and having regard to the fact that there is an incompleted order for aircraft of value for military training purposes, if nothing else, I submit it would be advisable that there should be an opportunity to deal with so important a subject as this without further delay. That was the reason for putting forward this proposal.

Mr. Speaker: We must be realistic about this matter. The hon. member cannot do anything else but debate the matter named in his motion. As soon as questions on the orders of the day are disposed of the hon. member for New Westminster will be able to speak for 40 minutes. Then the Leader of the Opposition may speak immediately following him and may deal with the subject named in his motion. That is why when we are considering urgency of debate we must bear in mind the fact that whenever a debate on the address in reply to the speech from the throne or a debate on a motion to go into supply is under way the range of subjects that can be covered is very wide and great latitude is offered. Therefore it has been the consistent policy of Speakers as far as I can remember not to accept these motions in the circumstances in which we find ourselves

today. Would the hon. member for Vancouver-Kingsway like to help me in this instance?

Mr. MacInnis: Thank you, Mr. Speaker, but I am afraid I shall not be able to help you. I rather think that the Leader of the Opposition is in a strong position in raising this question this morning. You have stated that the Leader of the Opposition can present his views after the hon. member for New Westminster has finished. That is true enough, but what is more important than a statement in this regard by the Leader of the Opposition is that we should have a statement from the government. In a debate such as that on the speech from the throne there is no compulsion on the Secretary of State for External Affairs or any other member of the government to make any reply after the Leader of the Opposition has made his speech. In my opinion that is the point of this whole matter. I should like to see you allow this motion, Mr. Speaker.

Mr. Harris: On the point of order, Mr. Speaker, may I say this. I have never heard it suggested in this house—although I have not been here so very long—that a motion of this kind would be entertained by Your Honour when a general debate of this nature was going on. Indeed, I have heard it said many times that it would not be entertained for the obvious reason that these general debates give the opportunity for discussion of any subject that anyone wants to raise.

On the point made by the hon. member for Vancouver-Kingsway (Mr. MacInnis) may I point out that if it is open to an hon. member, in the course of this debate, to speak on any subject on which he may choose to speak, surely it is equally open to the government to declare its position if it so chooses. Under these circumstances I can see no point in not supposing that this whole matter could be disposed of by discussion during the course of this debate. Whether or not the hon. member who has moved the adjournment of the debate should raise this matter by way of a subamendment is a matter of opinion for him to decide. As I said before, it has never been in the contemplation of any of the parties, so far as I know, that on this occasion a motion of this kind could be entertained.

Mr. Drew: Since the Minister of Finance (Mr. Harris) has mentioned this matter, I should like to point out that the key words in the statement were that the government may reply if it chooses to do so. Our point is that it does not choose to give us the information that we should have and that a debate of this kind would call upon the government to give a statement of policy with regard to something that is of great concern as it is related to the whole question of our relationship with other nations at an extremely important time in the world's history.

Mr. Harris: Mr. Speaker, earlier in this session the Leader of the Opposition (Mr. Drew) asked for a specific debate on external affairs. In his absence the other day and in reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles), I said that we would have that debate within two, three or four days after the conclusion of this debate. It was my understanding that on that occasion these matters could be aired. There is no question of the government's not choosing to declare their position. We certainly will do so. We are quite proud of our record and we are prepared to defend it at any time.

Mr. Drew: Mr. Speaker, since the minister has referred to his statement, I would point out that prior to his making this statement the Prime Minister (Mr. St. Laurent) had assured me personally of a debate on external affairs.

An hon. Member: What more do you want?

Mr. Drew: I would ask the Prime Minister if, in the meantime, he will assure us that there will be no further shipment of arms or equipment from Canada.

Mr. St. Laurent (Quebec East): I think it is quite proper for me, Mr. Speaker, to give the assurance that we consider very carefully at all times any request for anything that can be of war service or armament service and that at the present time we are as much concerned about the situation in the Middle East as is any hon. member of the house; and that there will be no shipments for that area pending the debate on the matter in the House of Commons.

Mr. Pearson: Mr. Speaker, may I say that not only would there have been an opportunity in the debate on external affairs to discuss this matter that my hon. friend has suggested, but it was also my intention, after discussing the matter with my colleagues, to anticipate this debate and make a statement to the house on this particular subject on Monday or Tuesday next.

Mr. Knowles: I am sure we all appreciate what the Secretary of State for External Affairs (Mr. Pearson) has said. It is a little bit better than the offer made by the Minister of Finance in that we shall get a statement next week rather than the week after next. However, it seems to me that

in this matter there is immediacy—a real urgency—that calls for discussion today.

I should like to submit for Your Honour's consideration a new procedural point which I think has arisen because of one of the changes we have made in the rules. Your Honour suggests that so long as debate on the address is going on and provided that new amendments or subamendments are made, any hon. member may enter the debate and speak on any question such as this. Your Honour is referring to various precedents of that nature, but those precedents relate to a period when there was unlimited time for the debate on the address in reply to the speech from the throne. There is now a ten-day limit. It may be technically correct to say that any member could rise on the supposed subamendment by the hon. member for New Westminster (Mr. Hahn) and speak on this question. The fact of the matter is that there are only so many days left and many members who have already spoken who might wish to speak on this question would feel that they would not be fair to other members of the house if they were to speak a second time before all members have had a chance to speak once. I suggest therefore to Your Honour that in considering this situation, before you rely too completely on the precedents of the past, with some of which I do not agree anyway, you consider the new situation created by the time limit now fixed for the debate on the address.

Mr. Speaker: Well, no matter what time limit has been placed on the debate on the address in reply there is no change as to what kind of vehicle the debate on the address in reply is. It is one which consists of giving hon. members an opportunity to discuss anything coming within the administration of this parliament. If while this debate is going on by virtue of a particular announcement made a few days ago by the acting leader of the house if hon. members wish to put the debate on the address aside from time to time and use standing order No. 26 as a vehicle to discuss questions of actuality because they do not wish that day to be counted within the ten-day period for the debate on the address, I suggest to the hon. member for Winnipeg North Centre (Mr. Knowles) that the matter will have to be very seriously considered. I am not prepared today to give way and put aside all the decisions that have been rendered by my predecessors and myself, but I will consider it.

It does pose a problem, I realize that. It seems that before I do put aside all the precedents to which I have referred, I should like to give it some more thought. It does pose a problem. It seems to me that if the members of a party do consider that a particular matter needs to be debated on a particular day, then those who are interested in making, let us say, constituency speeches, could give way to those who want to take part in the debate on the matter named in the motion. There are other opportunities during the session, such as supply motions and the budget debate, for discussion of a wide range of subjects.

Now, are we going to allow the motion under standing order No. 26 to be a vehicle for questions of actuality and to displace a debate so wide as the one in which we are currently engaged at the moment? The same situation will obtain with regard to supply motions and the budget debate. Therefore, I think the hon. member will agree with me that before I change the practice I will have to give the matter very careful consideration.

Mr. Drew: Since Your Honour has indicated you propose to give this very careful consideration, may I point out that there is a very marked distinction between a motion of this kind and a motion in regard to a subject of general concern. When Your Honour suggests that the matter could be dealt with on a motion to go into supply, I would point out that the house has been informed by the government that three aircraft are actually now on the way—

Some hon. Members: Order.

Mr. Drew: —to the Middle East; that 12 of the 15 aircraft ordered remain to be shipped; that certain shells are still to be shipped, and the purpose was to deal with this before that took place. The situation would in no way be met by waiting for a purely academic debate on the motion to go into supply.

Mr. Speaker: The hon. member may have an opportunity during the day. The argument that has been made by both himself and the hon. member for Vancouver-Kingsway (Mr. MacInnis) is that if this motion were allowed today it would compel a member of the government to give the government's views on the subject matter. Surely, they will both agree that ministers are not precluded from doing exactly the same thing today during the debate on the address.

[*Later:*]

PROCEDURE FOLLOWED IN ISSUING PERMITS FOR EXPORT OF MILITARY EQUIPMENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, reverting to the earlier discussion

between the Leader of the Opposition and the Prime Minister, would the Prime Minister tell the house whether the issue of export permits covering aircraft, explosives or other war material is decided at the cabinet level or on the basis of certain principles and, if so, what are those principles and when were they first communicated to the Department of Trade and Commerce?

Right Hon. L. S. St. Laurent (Prime Minister): Matters concerning the acceptance or otherwise of orders for any of that type of material are discussed at cabinet level, but to my knowledge no orders are accepted before information has been communicated to those with whom it is sought to place the orders and the circumstances under which the permit could be given. The question of whether or not a permit could be granted is considered in the light of the situation and the repercussions it might have upon the situation with respect to peace in the world. In the discussions great consideration is given to the information we have from our allies in respect of similar matters.

Mr. Diefenbaker: When was the decision made regarding the export permit for aircraft for Egypt? At approximately what date did the cabinet determine that question?

Mr. St. Laurent (Quebec East): It was some time in June of last year.

Mr. Diefenbaker: How is it that when the question was asked at the beginning of the session none of the ministers seemed to know anything about it? How is it they knew nothing about it?

Mr. Fleming: I guess they were not at the cabinet meeting.

[*Later:*]

Mr. Drew: In view of the answer just given by the Prime Minister with regard to decisions on these matters all being made by the government, can the Prime Minister tell the house if a decision has been reached by the government with regard to the dismantling of field artillery and the sale of parts thereof as scrap to any agencies either inside or outside Canada?

Mr. St. Laurent (Quebec East): I hope that we will have a full statement on Monday, but I can give the hon. member the assurance that no scrap is sold to any but Canadian consumers and that no permits are given for the exportation by them of any parts of military equipment.

POWER

PASSAMAQUODDY PROJECT—INQUIRY AS TO PARTICIPATION IN ECONOMIC FEASIBILITY SURVEY

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs (Mr. Pearson)—

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs—

Mr. Brooks: Who has the floor?

Mr. Speaker: This is a very difficult position for me to find myself in. Since both hon. members are from New Brunswick I would imagine they might have the same question.

Mr. Brooks: I was up first.

Mr. Speaker: Perhaps I should ask the question.

Mr. Brooks: Mr. Speaker, I should like—

Mr. Speaker: Order.

Mr. Harris: May I point out to Your Honour that when the Leader of the Opposition presented his motion the hon. member was on his feet, and it was not until recently that the hon. member for Royal rose to his feet.

Mr. Brooks: Mr. Speaker, I might say that I was also on my feet at the same time.

Mr. Speaker: Order. It is not always the case, but usually when we call the orders of the day it has been the practice to give a member of the opposition the floor first to ask his question. The Leader of the Opposition did not ask a question. He made a motion under standing order 26, which is a different proposition. It is up to hon. members to move that Mr. So and so be now heard, by virtue of standing order 29. But in order to clear the matter and make an issue of it at this time, if necessary, I will give the floor to the hon. member for Royal.

Mr. Stuart (Charlotte): Mr. Speaker, on a point of order, when the orders of the day were called I rose to my feet to ask a question. I was on my feet before the Leader of the Opposition took the floor. I feel I have every right to expect the privilege of being permitted to ask a question. Since a member of the opposition has already had the floor, I feel a government member should be given the privilege of asking the question I have in mind.

Mr. Brooks: I should like to ask a question of the Secretary of State for External Affairs. My question is based on a Canadian Press

dispatch from Washington to the effect that the House of Representatives today approved a $3 million survey to determine the cost and economic feasibility of the Passamaquoddy tidal power project.

Some hon. Members: Question.

Mr. Brooks: My question is: Is it the intention of the federal government to join the United States in the cost of the proposed survey into the economic feasibility of the Passamaquoddy tidal power project?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, in reply to the question of my hon. friend, I should first say that last evening the hon. member for Charlotte (Mr. Stuart) approached me with a press dispatch which had just come off the ticker on this subject and asked me if I would reply to a question by him this morning. Perhaps I can now reply to both questions.

Mr. Drew: Now that you have given him a credit mark.

Mr. Pearson: The question, Mr. Speaker, concerns a decision taken yesterday by the House of Representatives in the United States of America to go ahead with an economic survey of the Passamaquoddy project, a decision which had previously been taken by the Senate in Washington. In reply to the specific question as to whether or not we are participating in this matter I can only say what I said to the hon. member for Charlotte (Mr. Stuart) who brought this question up in July of the last session.

Mr. Brooks: As I also did.

Mr. Pearson: As my hon. friend has done too. I said to the house at that time that if as a result of the passage of this resolution—at that time the resolution had passed the Senate but not the House of Representatives—the United States government wishes to request the international joint commission to undertake a survey, the Canadian government would be prepared to give sympathetic consideration to a proposal for a joint reference to the commission by both governments. A joint reference would have the effect of indicating that Canada is interested and cooperative and not merely giving reluctant consent.

Mr. Brooks: Would you answer a supplementary question? Is the Canadian government paying part of the cost of this survey?

Mr. Pearson: Not at the present time. That matter would only arise if a reference were made to the international joint commission.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

METHOD OF PAYMENT OF CHRISTMAS OVERTIME

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Postmaster General. Is the Post Office Department giving consideration to the request of postal workers in various cities across Canada that the overtime they worked during the Christmas rush period be paid for in wages rather than by being granted time off in the month of January?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, the method of compensation for overtime performed by postal employees during the Christmas rush is the same as that which would apply to the employees of any department. It is a matter of government policy which is determined by order in council.

That order covers employees in all departments.

GRAIN

INQUIRY AS TO SPACE AVAILABLE IN ELEVATORS

On the orders of the day:

Mr. A. M. Campbell (The Battlefords): I should like to direct a question to the Minister of Trade and Commerce. Would the minister present the latest figures concerning the amount of empty space now available in terminal elevators?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I was able to obtain those figures from Winnipeg since I had notice of my hon. friend's question. I might say that the rated capacity, in other words the licensed capacity, is hardly a practical figure. If an elevator were filled to its rated capacity it would be unable to salvage any out of condition grain. There must be some limit. We regard the effective capacity as being approximately 10 per cent less than the rated capacity. Using the effective capacity as the figure we have the following:

Interior terminals	700,000	bushels
Pacific coast terminals		
Vancouver-New Westminster	8,200,000	"
Victoria	400,000	"
Prince Rupert	700,000	"
Churchill	600,000	"
Fort William-Port Arthur	34,800,000	"
Eastern terminals		
Bay and upper lake	6,100,000	"
Lower lake and upper St. Lawrence	1,200,000	"
Lower St. Lawrence	4,000,000	"
Maritimes	1,500,000	"
	58,200,000	"

As far as the eastern terminals other than in the maritimes are concerned there is no possibility of filling them after the close of navigation. They are filled from the lakes and shipments are constantly being made to the eastern Atlantic seaports for export. The unused capacity in the eastern terminals will grow steadily until at the opening of navigation these elevators should be empty.

REPORTED LOSS OF SALES BECAUSE OF SHIPPING POSITION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce. Have any sales of wheat or other grains been lost because of unavailability of grain in shipping position or have any complaints been received from Canadian customers that grain of the kind and variety they wished to buy was not available in shipping position?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I would need to make a very careful study of that matter. Many sales of grain are made every day. To say categorically that no sale has been lost because grain was not in shipping position is something I cannot do. I dare say sales have been lost. I do not know of any Canadian customer who has not been able to buy grain whenever he wished to place the order. We have always had sufficient stocks to supply Canadian customers.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPORT OF FAUTEUX COMMISSION

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to direct a question to the Minister of Justice. Will the minister tell us when he expects to have the report of the Fauteux commission on correctional services which last July he hoped might be made in October, and will he lay on the table the documents containing the terms of reference of that commission?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank my hon. friend for giving me notice of this question. So far as the presentation of the report is concerned, I was talking to Mr. Justice Fauteux recently, and I think that the best I can say, conservatively, at the present time—

Mr. Fleming: That is the way to talk.

Mr. Garson: —is that it will be made during the present session of parliament. With regard to the instructions, perhaps the quickest way to deal with that question is to read into the record my letter to Mr. Justice Fauteux, the chairman of the committee. This letter is dated at Ottawa, December 11, 1953. It reads as follows:

> This will confirm the arrangement under which you have been good enough to undertake to act as a member of an informal committee established to investigate and report upon the principles and procedures followed in the remission service of the Department of Justice in connection with the exercise of clemency and to recommend what changes, if any, should be made in those principles and procedures.
>
> As I think you know, I do not propose to place restrictions of any kind upon your field of inquiry. Rather, it is my hope that members of the committee would find it possible to examine the entire field of remission and parole and, after a full inquiry, report to me their findings and recommendations.
>
> I may say that the officials and facilities of the Department of Justice will be available for the assistance of members of the committee in connection with the inquiry. Arrangements will, of course, be made for the payment of your transportation and living expenses while you are engaged in this work away from your ordinary place of residence.
>
> In conclusion I wish to thank you again for undertaking to perform this public service.

Identical letters were sent to the other three members of the committee, Mr. J. A. Edmison, assistant to the principal of Queen's University of Kingston, Mr. W. B. Common, Q.C., the director of public prosecutions for the province of Ontario and Mr. Joseph McCulley, the warden of Hart House, University of Toronto.

Mr. Macdonnell: May I ask a supplementary question? Does the government consider that the words in that letter, which I believe are "remission" and "parole", cover the question that was under discussion last July, namely probation?

Mr. Garson: I think, Mr. Speaker, that the words "parole" and "remission" should be considered in connection with the second paragraph of the letter, which perhaps I had better repeat:

> I do not propose to place restrictions of any kind upon your field of inquiry. Rather, it is my hope that members of the committee would find it possible to examine the entire field of remission and parole and, after a full inquiry, report to me their findings and recommendations.

That would certainly include all those branches of probation which are tied in very closely with the question of remission and parole.

Mr. Fleming: May I ask the minister a supplementary question? In view of the fact that doubt appears to exist on this point, would he be prepared now to clarify the terms of reference to the committee and assure the committee that the question of probation is now to be included within the scope of its inquiry?

Mr. Garson: I think my hon. friend, like myself, is a lawyer and I am sure he would know the principles of constitutional law well enough to recognize the difficulty we would have in the federal field in setting up a commission of inquiry to investigate that which comes under the provincial field of jurisdiction. I think he would agree with me that we could not go any further with propriety than we have gone in the letter I have just read, and that really this committee can examine where the matters of remission and parole touch upon probation, but we can hardly authorize a federal committee of inquiry to investigate into another provincial field of jurisdiction.

Mr. Macdonnell: May I point out that the Archambault report, in my recollection—

Some hon. Members: Order.

Mr. Speaker: I think the hon. member now is beginning to debate the answer. The hon. member for York South.

Mr. Fleming: May I ask a supplementary question?

Mr. Speaker: Perhaps the hon. member will come back later. There are other members who have been standing two or three times in order to ask a question.

[*Later:*]

Mr. Macdonnell: May I ask a supplementary question of the Minister of Justice? Will the minister, if he thinks there is any constitutional difficulty in dealing with the question of probation by the present committee, communicate with the provinces and get their concurrence, which I am sure would be forthcoming?

Mr. Garson: Mr. Speaker, during the whole course of this inquiry, I have had no reason to suppose that there was any difficulty whatsoever in this regard. Under the terms of reference, which were deliberately made quite unrestricted, I think the committee is quite able to examine into the whole field of federal jurisdiction over remission and parole and also into those fields of provincial jurisdiction over probation which are related to these federal fields I have named.

HOUSING

CENTRAL MORTGAGE AND HOUSING CORPORATION —APPRAISAL RATES

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, may I direct a question to the Minister of Public Works? Is the recent change in the appraisal value in Central Mortgage and Housing Corporation houses resulting in a reduction in the amount of the down payment on these houses, and if so by how much?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the change in the basic appraisal rates is in accordance with Central Mortgage and Housing Corporation practice of periodically adjusting these rates to changes in construction costs. The revision to which the hon. member now refers came into effect on December 15 last and has application to loans approved since that date. The full effect of the change on selling price cannot be seen at this early date.

The revision upward of the basic rates will result in an increase in loan, and if builders continue to sell at the same price as they have been, the down payment will be reduced by the amount by which the loan is increased.

PACIFIC GREAT EASTERN RAILWAY

REQUEST FOR ASSISTANCE IN COST OF EXTENSION TO PEACE RIVER

On the orders of the day:

Mr. B. R. Leboe (Cariboo): Mr. Speaker, I should like to direct a question to the Prime Minister, in view of the statement of the Minister of Trade and Commerce yesterday that ships are awaiting rail shipments of wheat, owing to the shortage of box cars. Will the government reconsider the offer of assistance in the building of the Pacific Great Eastern railway, in view of the fact that this railway will shorten the haul from the Peace river area to tidewater by half the distance, in other words, that one box car on the short haul will do the work of two?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I announced in this house on June 3 last that the federal government was prepared to pay a subsidy of $25,000 per mile for not more than 50 miles of a northward extension of the Pacific Great Eastern from Prince George. I stated that the government did not believe a through line to the Peace river valley was economically justified at that time. I pointed out, in support of that contention, that the Peace river area already has rail access through the Northern Alberta railways and that, although this railway taps the greater part of the area, it does not obtain a sufficient volume of traffic to result in profitable operations.

Great developments are taking place in our northern area, but I do not think that even the renowned productivity of the Peace river area has increased in less than one year to a degree where reconsideration of the offer made last June would be necessary.

LABOUR CONDITIONS

REPORTED CUT-BACK IN ORDERS AT CANADA CAR—LAY-OFF OF EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Has there been any cut-back in orders for box cars placed with Canada Car at Fort William and a consequent lay-off of a large number of employees at that plant? In view of our need of both box cars and employment, would the minister look into the matter?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I can tell my hon. friend that there has not been an order for box cars placed with Canada Car at Fort William since 1912.

Mr. Knowles: Will the minister look into the reasons for the lay-off of employees at that plant? If there has been a lay-off, why not put them to work producing box cars?

Mr. Howe (Port Arthur): The plant was originally built to build box cars, but as I say, since 1912 it has not built a box car. Today it is not in a position to build box cars. I may say that since that particular plant is adjacent to my riding I am keeping a very careful watch on the employment situation.

NATIONAL DEFENCE

INQUIRY AS TO EXCESS SUPPLY OF 25-POUNDER SHELLS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the Minister of National Defence. Can the minister inform the house what supplies of 25-pounder shells in excess of Canadian requirements are now in Canada?

Hon. R. O. Campney (Minister of National Defence): Not offhand, Mr. Speaker.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 19, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, may I at the outset compliment you on the capable way in which you conduct the office of Speaker of the house. I should also like to compliment the members of the cabinet who show such dexterity and capability in side-stepping the issues at hand. If I may say so, I am almost inclined to say that they show as much dexterity and skill as did the New Westminster soccer club in winning the dominion championship last year. I should like at this time to ease the mind of the Leader of the Opposition (Mr. Drew) by announcing that it is my intention to submit an amendment which will give him the opportunity to discuss the question he wanted to discuss, and after the present debate is finished possibly he could continue its discussion by means of such a motion as he has in mind.

The hon. member for Timiskaming (Mrs. Shipley), in the course of moving the address in reply to the speech from the throne, said in effect that she could not understand why so much valuable time should be taken up by member after member repeating what had been said in other words by many other members. I hope she will forgive me therefore if I add my congratulations to the others with which she has been showered because through her I wish to congratulate the women of Canada and the constituents whom she has the honour to represent. I should also like to congratulate the hon. member for Bellechasse (Mr. Laflamme) on the capable way in which he conducted himself, and also the newly elected members of the house who I am sure will represent their constituencies ably and well.

During the course of the past two years when I have been in the house it has been my privilege to bring to the attention of the Minister of Transport (Mr. Marler) the need for a secondary airport to supplement the Vancouver international airport. It was with great pleasure therefore that I read the press release on January 12 that he had seen fit to accept the advice of some of his colleagues and possibly accept the thought I had in mind, that the White Rock airport would be a good secondary airport. The choice is well taken because the White Rock airport will lend itself to expansion. It is off the main air routes and is fog free. It is away from any military air base so that there probably will not be any danger of a tragedy similar to the one that occurred at Moose Jaw last year. It is also a short distance from Vancouver.

I wish to express gratitude to the minister and to anyone else who may have had anything whatsoever to do with the final decision that White Rock should be the secondary airport. I was pleased to see that the minister indicated in his news release that there was need for examination into the possibility of finding another site suitable for small craft. I trust such a site will be found before all the possible sites are used for other purposes.

During the past few days the discussion in this debate has been concerned principally with the question of grain surpluses. Other surpluses were also mentioned. The question of cheese was raised by the hon. member for Oxford (Mr. Nesbitt). The hon. member for Lanark (Mr. Blair) referred to the question of dairy products.

The hon. member for Wellington-Huron (Mr. Howe) mentioned butter. Yesterday the hon. member for Victoria-Carleton (Mr. Montgomery) dealt with potatoes. One might ask what brings about this cry. The real reason behind it, Mr. Speaker, is that the farmers have a right to expect a fair share of the national income. As pertinent to that matter, I have here a compilation of some figures respecting percentages of total national income received by farmers by years. It is not my intention to read all these figures but I should like you to note that during the years 1915, 1916, 1917, 1918 and 1919, when the farmers represented about 30 per cent of the population of Canada, their share of the national income was 30 per cent. From 1926 to 1928 the number of farmers was less than that—it would be from 25 per cent to 30 per cent—and their share of the income dropped to the point where it was from 17 per cent to 14·6 per cent. During the depression years from 1929 to 1939 the share of the national income that the farmers received was reduced tremendously, to an all time low of a 4·1 per cent in 1933 while the farm population represented a little better than 20 per cent of Canada's over-all population. During this past year the share of the national income received by the farmers was 6·7 per cent. Yet they represent 20 per cent of Canada's population today. In effect that situation would indicate that the share of the national income received by the farmers compares approximately with what they received in 1934, which was a grave depression year.

During the war years, because of price stabilization and price control as set down by the government, the share of the national income received by the farmers rose to approximately 11 per cent. As was explained yesterday by the hon. member for Acadia (Mr. Quelch), the reason for that situation was that the farmer was promised a better deal after the war in order to compensate for the low price he was accepting for his commodities. Since the war, of course, we have had a continual decline in farm income with the result that I mentioned earlier, namely that today the farmers are in effect receiving about the same percentage of the national income as they were receiving during the depression year of 1934.

As far as my riding is concerned the problem is this. While there happens to be a grain terminal in my riding, it is not my desire to talk about grain at this time although I must say I could do so. The problem in my particular riding in this instance is that of the potato grower. He is not getting his fair share of the national income. One might say: Is this a national problem? It is definitely a national problem because, on reading the report made by a committee set up to study the question of potatoes last year, I discover that the potato industry is of major importance in every province in Canada except the province of Newfoundland. Therefore these people whose livelihood is so greatly affected should be given the consideration to which they are entitled. This particular committee, which was set up last year at the behest of the Minister of Finance (Mr. Harris), was to hear representations but was not to make recommendations. The hearings were set for June of last year in the city of Ottawa and representations were made by the various potato growing groups across the nation. I would draw to your attention, Mr. Speaker, pages 60 and 61 of their report. Eleven conclusions are arrived at. All of them are reasonable and sound. However, I would say that two of the conclusions definitely carry with them an inference or a recommendation which possibly affected the government's decision not to take any action on the tariff question last year. I would draw to your attention particularly conclusion No. 8 on page 61, which is as follows:

> Geared by force of geography to reliance upon export markets—whether elsewhere in Canada or abroad—the industry in Prince Edward Island is very greatly dependent for its continuance upon the demand at home and abroad for its certified seed potatoes.

That statement is perfectly correct but we have here an inference in the conclusion:

> Loss of its seed-potato quota in the United States would be but short of disastrous for the island and only somewhat less so for New Brunswick.

Mr. Speaker, the inference is that by the setting up of a tariff the provinces of New Brunswick and Prince Edward Island would lose their seed potato market. In reply to that contention I would say that the potato growers of New Brunswick and of Prince Edward Island have a high quality seed as well as a disease-free seed. That is the actual reason for the American people buying seed potatoes from them. They buy them because they need them, not because they particularly want to buy seed potatoes from Prince Edward Island and New Brunswick.

The other inference is included in conclusion No. 10 of the report which is as follows:

> While no rigid generalization can be made, because of occasional and quite abnormal variations from the rule, such imports of table potatoes from the United States as do occur, appear to be attracted to this market by higher domestic prices which in turn frequently reflect a short crop in Canada.

That part of the statement is true. However, here is the inference:

> So called "new potatoes"—imported into this country during the spring and early summer months—command a premium because they are new; and probably would enter whether or not they faced a customs duty at the border.

The suggestion then is that there would be no value in putting a tariff duty in effect because these new potatoes would come in no matter what the price might be, and that there would be no stopping them. Those inferences should not be included in the report and the government should not have taken them into consideration. However, they apparently must have done so, the facts being what they are in the potato industry today. There is need for some action by the government in respect of protecting the potato grower.

The developments since the hearings were held in Ottawa in June—and there were several—are as follows. The first was definite action taken by United States authorities in respect of the size of potatoes that would be allowed to come into their country and which affected our market. I wish to thank the government for taking action on this particular question and bringing our regulations in line with those of the United States.

There is, however, another question which is more important and which affects the industry more greatly. I refer to the announcement made by secretary of agriculture Benson of the United States. On August 26 he announced that the United States department of agriculture extends financial assistance to those United States producer states which sign an agreement to show an approved plan which will eliminate, by various means, 20 per cent or more of marketable grade 2 or better potatoes. This program was to begin on September 26, 1955.

If the hon. gentlemen opposite who are from British Columbia wish to take part in this discussion, they may do so later.

An hon. Member: We never said a word.

Mr. Byrne: I was not paying attention. I do not know what you are talking about.

Mr. Hahn: Diversion of grade 2 or better to starch, feed or flour was called for by the regulation.

[Mr. Hahn.]

Now, the fact of the matter in this instance is that the United States authorities were going to pay $10 a ton for the period from September 26 to December 31 last year; $8 until March 31 and $6 until June 30, 1956. In effect, this would act as a subsidy to those U.S. growers who were getting less than the normal price for their potatoes. Now, the conclusion that I must draw from this is that the assistance that was being given to the United States potato grower on potatoes diverted to these other industries was nothing more or less than a subsidy. In the retail trade this procedure is covered by the phrase, what I lose on the coffee I make up on the beans. So far as the United States grower was concerned, what he was losing on his table potato crop he was going to gain on the crop that was being diverted.

The Department of National Revenue says that this is not dumping. In reply to this particular question there is a letter dated September 20 from Mr. D. Sim, deputy minister of national revenue, at Ottawa, in which he says:

> Section 6 (A), as recently enacted by parliament, empowers the governor in council to impose an additional duty equal to the amount of subsidy on the goods, but provides that where the imported goods are also subject to special or dumping duty under section 6 (say by reason of an export subsidy)—

That is the important phrase.

> —the amount of the additional duty under section 6 (A) shall be reduced by the amount of the special or dumping duty under section 6.

The argument is that the potatoes that are being sent into Canada, while they are being exported, are not subject to this assistance because they do not come under the diversion plan. Technically, that is quite correct, but if you give a farmer $10 in another way as a bonus or anything else, that is going to make it possible for him to eventually give his potatoes away. It should be called dumping for the same reason.

Now, Mr. Speaker, in my own riding of New Westminster and the lower Fraser valley this has had a marked effect upon the potato growing industry. Last year, according to figures I have here, between June 1 and June 15, a time at which United States potatoes were being imported, the British Columbia potato growers association could only sell 197 tons of their own potatoes while United States imports amounted to 3,382 tons. From June 18 to July 2, a period when the duty was being imposed, the United States exported 1,244 tons which made a grand total of 4,626 tons of potatoes that were imported from the United States. During that time the B.C. grower could only sell 197 tons. In July the B.C. grower sold 3,482 tons and at the same time the United States exported to

us some 1,327 tons. I might say that by this time the United States grower had skimmed the cream off the crop, as any person from British Columbia will recognize when they sold us 4,626 tons to July, for that is when the new potatoes come on the market and the United States growers were able to get high prices for them.

Then later, in August, the British Columbia grower was only able to sell 3,027 tons while the United States growers sold 2,805 tons. This made a total for the three months period for the B.C. grower of 6,787 tons, while the United States grower sold 8,788 tons in the same period. There is only six weeks' protection period for the potato grower in Canada. The figures were not available for the rest of the year, but the British Columbia coast marketing vegetable board had this to say in a release in October. They put out a regular bulletin, I should say, Mr. Speaker, from which this extract is taken in October, 1955:

> Imports of potatoes from the United States into the Vancouver market for the four-week period September 5 through 30th amounted to 1,455 tons. White varieties have moved fairly well up to the present date. However, it was found necessary by your board to drop the price on netted Gem potatoes by $6 per ton to be competitive with shipments being received from across the border. The Yakima market declined from $43 per ton on September 16 to $32 per ton on October 1.

Now, looking at the figure very quickly, one would say the United States market declined by $11 per ton, but the United States grower was getting a $10 subsidy for every ton of potatoes he was diverting at that time into another field. His market, therefore, declined by only $1 per ton, but the B.C. grower at that time had his market drop by $6 per ton in order to be competitive. The additional loss suffered by the United States grower would be made up by diverting 20 per cent of his other potatoes into the United States feed and flour business. This is one of my reasons for saying that this diversion scheme the United States has invoked at this time is, in effect, a subsidy. It is one of the arguments into which I would ask the minister to look very closely.

The December bulletin issued by this same organization, the British Columbia coast vegetable marketing board, had this to say:

> Closer to the border, the growers directly across the line have this past week approached the trade in Vancouver . . . offering to sell their No. 1 Gem potatoes at $2 below the prevailing Vancouver board price. Your board had declined to reduce the price of No. 1 Gems as it felt that these shippers would only again cut below us.

You can only go so far in reducing the price of your potatoes or any other commodity. You can hope that something will happen that will protect your market, and possibly you will be free to sell at a later time. Fortunately, that did happen for the B.C. potato grower in November. Heavy frosts in the Pacific northwest, which unfortunately wiped out almost every nurseryman and every small fruit grower, had a good effect so far as the B.C. potato grower was concerned. As a result of the frost it was not possible for the United States potatoes to come into the B.C. market, and the B.C. grower was able to sell his own potatoes in the lower mainland area of British Columbia.

Imports into Canada for the first seven months of 1955, as compared with 1954, are as follows. In 1954 imports amounted to 1,057,947 cwt., and in 1955 they amounted to 1,987,089 cwt.

Mr. Campbell: What about export?

Mr. Hahn: I have not the figure for export, I am sorry. However, our exports are quite negligible because they consist of seed potatoes which would go to the United States in any event because they are short of quality seed. The authority for that statement will be found in this tariff board hearing. The fact is that in 1954 we imported only about one million cwt. of potatoes, and in 1955 we imported very nearly two million cwt. In other words, last year the American potato grower was able to sell twice as many potatoes in our country as he had done theretofore. Naturally, that has its effect on the Canadian potato market. Not only is the subsidy having an effect on the price and the sales we make, but this matter of importing potatoes in such heavy quantities is bound to affect the potato grower in Canada.

There was an editorial in the *British Columbian* of January 17, 1956—I may say that the *British Columbian* is a daily newspaper within the area I represent—which had this to say:

> The British Columbia coast vegetable marketing board and growers in British Columbia have attempted to bring the intolerable situation to the attention of the federal authorities for several years.

This is the matter of tariffs on potatoes. The article goes on to say:

> Coast producers do not think the starch subsidy is the answer,—

That is the starch subsidy that the Minister of Agriculture pointed out yesterday we were putting into effect. I continue:

> —and remark that the hope such a subsidy "will help maintain prices across Canada is merely wishful thinking on the part of the federal department of agriculture inasmuch as Canadian prices are governed by the heavy imports from the United States whose product often enters Canada at below actual cost of production of either United States or Canadian growers."

The grower in the United States has a tremendous market for his goods, and the small amount that he sends to Canada does not affect his market at all; it does not affect his wealth. He is just getting rid of a small surplus. On the other hand, the Canadian producer finds that the potatoes that come in from the United States affect his price and his market a great deal.

The speeches that were made in the past few days with respect to surpluses were actually unwarranted, although I will say they were necessary. I say they were unwarranted for the reason that if the government were to examine into the possibility of the two-price system that was proposed by the hon. member for Acadia (Mr. Quelch), I am satisfied that most of the economic ills in the agricultural and primary producing fields would be adequately looked after.

As I indicated earlier, it is my intention to move an amendment to the amendment. I move, seconded by the hon. member for Jasper-Edson (Mr. Yuill):

That the amendment be amended by inserting after the words "by reason of", the following:

1. Their failure to adopt and implement agricultural and marketing policies designed effectively to keep farm cash income in Canada at a just and economic level.

2. Their utter neglect of any responsibility with regard to assisting the provinces to maintain a satisfactorily broad tax base through adequate development of their resources, and—

The amendment as amended would then read thus:

We respectfully represent that Your Excellency's advisers, by reason of

1. Their failure to adopt and implement agricultural and marketing policies designed effectively to keep farm cash income in Canada at a just and economic level.

2. Their utter neglect of any responsibility with regard to assisting the provinces to maintain a satisfactorily broad tax base through adequate development of their resources, and their indifference, inertia, and lack of leadership in the face of serious national problems and their disregard of the rights of parliament, are not entitled to the confidence of this house.

Mr. MacDougall: That is a good one. The hon. member has everything in it but baling wire.

Mr. Hahn: Give me time, and I will have it in there, too. There are ranchers in the country who could tell you something about the price of baling wire, and perhaps it should be included.

I would agree with the hon. member for Jasper-Edson who the day before yesterday raised the question of the sale of butter. His proposal and his method of disposing of it through those who are in need of social security, such as the aged, the blind, the disabled, the war veterans, and others, are worthy of consideration. I would suggest to the Minister of Agriculture (Mr. Gardiner) that if we are to give something to the people behind the iron curtain we should not give away our butter. Let us give away margarine and let us keep the butter for the people in Canada. Let us sell the butter to the people of Canada at the price at which we sell margarine. I am satisfied that the people of Canada would enjoy butter, and some of them would get in the position where they would begin to use it again.

I have included in my amendment to the amendment a matter having to do with the taxation field. The letter that the Prime Minister (Mr. St. Laurent) tabled the other day contained new proposals having to do with taxation under which the provinces were to get 10 per cent of the income tax, 9 per cent of an unstated corporation tax, and 50 cents out of every dollar of succession duty. The objective is certainly a good one, namely, to bring the tax income of the poorer provinces up to that of the richer provinces. However, I would have the house recognize that the richer provinces are relinquishing the three major fields of taxation on a rental basis. If those provinces are to continue to produce and develop their resources and to be in a position to keep pouring dollars into the coffers of the federal government, then it will be necessary for them to receive more income to keep the rest of Canada happy.

In my province we would have no objection to assisting those other provinces, if we felt for a moment that the federal authorities were not, through their bungling and interfering methods, ruining the chances of some of those other provinces of advancing. Let me take our own case. In British Columbia last year we had an instance of the federal authorities interfering with our river development, as proposed by the government of British Columbia. The Minister of Fisheries (Mr. Sinclair), as well as the Minister of Northern Affairs and National Resources (Mr. Lesage), thought that we should divert water from the Columbia river into the Fraser. Because the Columbia river would come under the authority of the federal government, it left only one river over which the provincial government would have authority, namely, the Fraser river.

The moment that they started talking about putting a dam on the Fraser there was an objection from the Minister of Fisheries to the effect that that should not be done. I would agree with the Minister of Fisheries, because the salmon industry is vital to our country and must be protected. However, I would disagree with him, as I did earlier,

with regard to diverting the excess water of the Columbia into the Fraser river. I say, let us go ahead and develop the Columbia river, as proposed by the provincial government a year ago. If we do that, then we shall have more tax dollars to pour into this government to help assist some of the other provinces.

This was not the only instance of interference in our province or in any other province. Not so many years ago, when the Alberta government enunciated a gas export policy, it was interfered with by the federal authorities. They would not agree with the export of gas so that the province of Alberta in turn could use the dollars they would get from the United States purchasers of that gas to develop industries within the province.

If we are to build up this nation, then we must have more dollars. We cannot for one moment hope that the people of Canada will have sufficient dollars to build up industries and keep them operating without being permitted to export their surplus production. The socialistic attitude, expressed earlier by the leader of the C.C.F. party, of denouncing the United States dollars that are being poured into this country, is entirely false and wrong.

I believe it is absolutely impractical and impossible to think that we in Canada could build 125,000 homes in a year and carry on all the other development that is required. Where would we get the millions of dollars for the St. Lawrence seaway project, the millions required for building our dams, bridges and other projects in British Columbia? Within the confines of all provinces this government has demonstrated time and time again its inability to bring about a satisfactory solution to the development of our coal and gas industries and our problems of primary industry. It has failed to put them on a good and sound financial basis. This has been the cause of much of the difficulty in which we find ourselves today. It has ceased development in many instances.

To add to the difficulty we find the change in this particular regulation respecting assistance to the various provinces is advanced for political purposes. The government has seen fit to present this proposal which would cut by $45,000 the allowance which British Columbia under ordinary circumstances is to receive, despite the fact that our province gained in population by almost 300,000 people. This just does not make sense. It does not add up.

I am aware that the Prime Minister (Mr. St. Laurent) has indicated that the government will rectify the situation by ensuring that no province will receive less than it did before, but why should our agreement today call for $45,000 less than what British Columbia heretofore received under the old agreement. I contend that if by proper direction this government were to encourage the development of provinces that have not they would be in the position of having.

We find, for instance, that in 1951 the Department of Defence Production issued contracts to the total amount of $5 million. I do not have the covering release with me but hon. members from British Columbia might well take note of this. An amount exceeding $5 million in government contracts was issued in 1951 in one group of which British Columbia's share was the small sum of $78,000.

Mr. Goode: Would my hon. friend permit a question? How does he prove his statement concerning the sum of $78,000? May I say that the Liberal members have been most concerned with the amount of business going to British Columbia.

Mr. Hahn: I will allow you to make your speech later. The proof of the statement is in fact that it was a release by the government of defence production contracts across Canada, which totalled $5 million, of which British Columbia's share was $78,000.

Mr. Goode: Surely the hon. member realizes that he is talking nonsense.

Mr. Hahn: The hon. member is not talking nonsense. I would be only too pleased to show you the directive.

Mr. Johnston (Bow River): Why do you not do something to help British Columbia? Do not interrupt so much.

Mr. Speaker: Order.

Mr. Hahn: I would conclude my remarks by drawing again to the attention of the government that the particular tax agreement which is being proposed at this time is one which ostensibly is advanced for political purposes to garner votes in certain parts of Canada. In effect this says to our premier, as it does to the premier of Alberta: "If you do not like it, put on your own tax agreement scheme".

That is very fine, but there is a calculated risk there and the Prime Minister knows this as well as do the premiers of Alberta and British Columbia. They are fully aware of what that calculated risk would involve. The fact is that nobody wants double taxation because it costs so much more for the individual. Businessmen realize it. Everyone recognizes the efficiency and the business acumen demonstrated by the premier of British Columbia during the past three years. He himself recognizes what this might cost.

I would ask members opposite to examine this matter closely before they find themselves facing the accusation across the dominion that they have been deliberately going out of their way to support a tax scheme which has the one object in mind of prolonging the existence of a Liberal government in Ottawa.

Mr. Speaker: Mr. Hahn moves, seconded by Mr. Yuill, that the amendment be amended by inserting after the words "by reason of," the following:

1. Their failure to adopt and implement agricultural and marketing policies designed effectively to keep farm cash income in Canada at a just and economic level.
2. Their utter neglect of any responsibility with regard to assisting the provinces to maintain a satisfactorily broad tax base through adequate development of their resources, and—

May I say that it seems to me that the amendment to the amendment is placed at such an early point in the amendment that it gives the appearance of displacing the amendment rather than amending it.

It could probably be amended as to form in order to make it fit into the wording at a later stage of the amendment, but as it stands it would read:

We respectfully represent that Your Excellency's advisers, by reason of—

The amendment which presumably is amending the amendment then comes in. It seems to relegate the amendment to the bottom, and displaces it completely. However, I will accept it. Perhaps later we can get together and place it elsewhere. I do not wish to appear to be too meticulous about this matter but it does occur to me that it has this effect.

Mr. Hahn: Then the amendment now is as follows:

That the amendment be amended by inserting after the words "serious national problems" the following words:
"in particular, their failure to adopt and implement agricultural and marketing policies designed effectively to keep farm cash income in Canada at a just and economic level and their utter neglect of any responsibility with regard to assisting the provinces to maintain a satisfactorily broad tax base through adequate development of their resources,".

(Translation):

Mr. Maurice Gingues (Sherbrooke): Mr. Speaker, at the start of this important session, while we are on the address in reply to the speech from the throne, will you kindly allow me to join the other members of the house in offering my best wishes to you and in pointing out how able and dignified has been your chairmanship of the proceedings of this Canadian parliament. You bring to the discharge of these difficult duties remarkable tact and fairness. Your knowledge of parliamentary law and of the rules of the house, and more particularly the way in which you apply them in practice, place you in the first rank of the eminent Canadians who have preceded you in the Speaker's chair.

My most sincere good wishes also go to the right hon. Prime Minister of Canada (Mr. St. Laurent) whose magnificent good health and fruitful labour are such as to forecast more happy and prosperous days for the whole Canadian people.

May I also heartily congratulate the mover and the seconder of the address (Mrs. Shipley and Mr. Laflamme). Their constituents may rightly be satisfied with them and must be proud, after seeing them at work, of having asked them to represent their constituencies in the parliament of the nation.

I rise today, Mr. Speaker, because I feel it is my duty to submit to the house and to the members of government a few practical suggestions, a few constructive ideas which, to my mind, are likely to help my electors and those of all constituencies of the country.

I must first express regret at the absence in the speech from the throne of any indication of the government's intention to propose, at this session, health insurance legislation, a measure which would add to the impressive body of social security legislation put forward by representatives of the Liberal party in recent years and later adopted by parliament. I know the feelings of the right hon. Prime Minister on the matter. I know that the members of his cabinet understand the urgency and necessity of this essential measure, that already they have long debated its advantages and foreseen the difficulty of putting it into force.

The question of a health insurance plan has been discussed in Canada for a long time.

I believe that the time has come to put the project into effect so that our people may without further delay benefit from this salutary legislation. We have now come to the point where something must be done to protect the large number of our fellow citizens who are suddenly taken sick.

When a child or a mother is sick, the cost of medical and hospital care may be heavy, but when sickness suddenly strikes the father, the head of the family, the cost of the necessary care becomes almost prohibitive. There is no use in trying to hide the truth, Mr. Speaker; at present, in a country that enjoys

Canada's prosperity, only two classes of people are in a position to get the necessary care, the needy and the rich. People who come under the public assistance act, or those who are personally well off can afford the luxury of going to the hospital. There is no alternative. As for the average Canadian, the middle class man, the one we usually call the white-collar worker, the man who has a small income, who is on a fixed salary—and that group includes the great majority of our workers and farmers—is no longer able to pay alone the cost of medical, surgical and hospital care. This fact cannot be challenged. The farsighted head of a family who has painstakingly managed to put a few dollars away for a rainy day is ruthlessly ruined when illness strikes him or anyone in his family. A few weeks in hospital and his property is mortgaged, his savings gone and he must then ask for credit and borrow money often at prohibitive rates.

Every day some good people come to my office to ask for assistance, because they cannot afford to pay their hospital bills, or those of the doctor, the surgeon or even the druggist. Hundreds of others, as I have just said, fall prey to lending institutions and have to pay interest up to 24 per cent to fill the gap left by a recent illness.

Some time ago, a respectable man whom I know very well and with whom I have been associated, a man of temperate habits, in other words a man like the hundreds of thousands of others in this country, came to me to tell of his sad experience. Allow me, Mr. Speaker, to repeat this story to my colleagues as it shows the necessity of a protecting health insurance legislation, of an immediate, well drafted and truly generous act, one which, if I may say so incidentally, will allow the hon. member for Three Rivers (Mr. Balcer) to convince his colleague, the member for Three Rivers in the Quebec legislative assembly, to co-operate for once for the general welfare of the population. He must know or rather we know that, by itself, the federal government can do nothing in that field; it has to rely on the full co-operation of all the provincial governments without exception. After this little digression I now turn to my story.

Last fall, an honest man whom I have known since childhood, a man of 60 who has worked all his life and has managed to save some $8,000—you will admit that $8,000 is not very much but it is a rather considerable amount for a man who earns a modest salary and has to save this money bit by bit—came to my office. Two years ago, his wife was taken ill. She was taken to the hospital where she underwent an operation. She was in and out of the hospital for a period of two years. He came to my office, crying like a child, to tell me that in the short period of two years all the money he had saved in order to have some security in his old age was gone, and that he was now sick himself and could no longer do his usual work. Well, Mr. Speaker, this would mean that, at 60, this man who is still young, will be unable to obtain the old age pension and will be forced, owing to sickness, to depend on public relief.

I admit, Mr. Speaker, that this is a special case, but I could mention many others which strangely resemble this one.

That is why I say, at the beginning of this 1956 session, that the time has come to enact legislation in that field.

I know that certain doctors, certain specialists—not all, fortunately—fear the inroads of health insurance legislation. Still, to my mind, the common good must prevail over particular interests. I am speaking here today in this house, on behalf of the community as a whole. When anything has become a national scourge the duty of the lawmakers is to take whatever means are necessary to set matters right.

The one and only means, in this case, is federal legislation supported by similar provincial legislation.

This measure has become necessary, I repeat, not because our hospitals abuse their privileges and overcharge their patients. That is not the case. In hospitals, as everywhere else, everything is more expensive and like all well organized corporations they have to balance their budget. However, when this law is assented to, the very great majority of Canadians who, I repeat, earn enough to live from day to day but hardly enough to make any savings, even when they are in perfect health, will feel they are protected and will enjoy thereby a greater feeling of security. If anything should happen to them, their morale will remain good and their chances of getting well again will be better. Under the present system there are large numbers of poor people who have to shorten their period of

convalescence so as to reduce costs and who undergo serious relapses a short time later.

I know that thousands of sick people go back to work too soon because that is their only means of earning a livelihood for their family. Hence the great number of premature deaths in these families, because the last link in the chain of social security legislation given the country by the Liberal party has not yet been welded.

Since my election to this house in 1940, I have had the pleasure to vote for great social enactments of this government. First, it was the marvellous Family Allowances Act, then the Unemployment Insurance Act, the amendments to the Old Age Security Act, to the Blind Persons Act and to the Disabled Persons Act. I was happy then to advocate and support these basically Liberal measures. I shall be happier still, Mr. Speaker, to vote for a health insurance act for, if there is in life a time when we need help and the solace of human fraternity, it is when illness strikes us and when misfortune knocks at our door. I shall not insist any more, because I know all my colleagues share this feeling.

(*Text*):

Mr. Speaker, last week, when I was listening to my hon. friend from Brantford (Mr. Brown), my speech was all prepared in French. When I heard him address himself to the house in my maternal tongue, and this for quite a few minutes, I decided to do likewise, and that is why I shall continue a part of my remarks in English. I hope that effort of my hon. friend and mine at this moment will contribute to good understanding amongst us members.

There is another suggestion which I would like to submit to the government, and particularly to the Minister of Finance. I should rather say two suggestions, because the matter with which I wish to deal concerns both the budget and the income tax.

In income tax return forms there is an item dealing with charitable donations made by every individual, by every taxpayer during the year. It is stated therein that a maximum of 10 per cent of the net income may be deducted for that purpose. In order to benefit from these exemptions, one must attach to the income tax reports receipts signed by charitable organizations, members of the clergy or other authorized persons. In my opinion, Mr. Speaker, this entails additional inconveniences for the taxpayer. He is not only compelled to figure out his income to the last cent, but he must endeavour to obtain a receipt which will justify, so to speak, a great number of small or negligible donations, the amount of which is rather difficult to remember. I would suggest, Mr. Speaker, that all this paper work be done away with and that these proceedings be simplified by putting everyone on the same footing, that is, by simply allowing everyone a 10 per cent deduction of net income for charitable donations.

This is the practice in other countries. Why should we not do the same in Canada? This would simplify matters and would be fairer to the taxpayer and easier for the income tax department. I therefore request the Minister of Finance (Mr. Harris) to include this amendment or improvement in his next budget. I believe everyone will benefit therefrom.

And since I am talking about the budget, I should like to put before the Minister of Finance another request, and a very important one, the immediate granting of which could bring about happy results. By this, Mr. Speaker, I mean that the national budget should be presented sooner. I believe that the budget should be presented to the house in January every year, and I shall tell you why. Most merchants, industrialists and businessmen take inventory after the festive season, that is, at the beginning of January. After that they must wait weeks and even months before finding out whether changes will be made in the Customs Act, Excise Tax Act, the sales tax or otherwise.

Owing to this state of uncertainty most merchants wait before making purchases, and I believe that this situation is greatly responsible for the increase in seasonal unemployment which occurs mostly during the months of January, February, March and April. The unemployment insurance commission, together with municipalities, chambers of commerce and other public bodies, and also individuals, are doing constructive work in order to alleviate this idle period which we call seasonal unemployment. If the budget were presented in January I believe this situation would not be as bad.

I am asking the Minister of Finance to study this matter carefully. We would indeed be entirely justified to act accordingly if thousands of workers could be retained in their jobs who otherwise must rely for their livelihood on their unemployment insurance benefits. I would be curious to find out the opinion of merchants and manufacturers about this scheme.

After submitting these suggestions, which I believe are in the general interest of all

Canadians, may I, Mr. Speaker, put forward a request which concerns especially my district, the eastern townships. I am asking this now of the Minister of Transport (Mr. Marler), whose sympathetic disposition we all know. In Quebec, as you know, the eastern townships are a small province within a province, and Sherbrooke, which I am privileged to represent in the house, is its capital. Writers and poets compare Sherbrooke to a queen and certain neighbouring towns to pearls and other jewels. They are right because Providence has showered its favours upon this privileged district which is represented by a dozen members in this house. We have rich mines, a great variety of industries; our population is progressive and alert, we have wonderful agricultural domains, an attractive countryside, magnificent mountains, large lakes teeming with fish, excellent hunting grounds, a prosperous tourist industry; in other words, prospects for a most brilliant future.

We also have numerous land transport facilities. The eastern townships are served by the large railways, the Canadian Pacific, the Canadian National and the Quebec Central which runs from Sherbrooke to Quebec City, via the rich mining district of Thetford Mines and Black Lake. We have numerous highways which, of course, could be improved but nevertheless help in expanding trade and industry. However, something is lacking. The eastern townships need air services which would speed up transportation between Sherbrooke, Quebec city and Montreal, and consequently with the rest of the world.

The minister knows that strong representations were made to his department for the building of an airport near Sherbrooke. Trans-Canada Air Lines were approached and, if I am not mistaken, they are making a survey at the present time of the passenger potentialities which the eastern townships would offer. I do not want to prophesy, but I can assert that air lines which would call at Sherbrooke would find it to their financial advantage.

As I have already said, the population of the eastern townships is progressive and full of initiative. They do not like to be behind the times. But in the field of air communications we are lagging behind other districts in our province and in the rest of the country. Therefore I request the Minister of Transport to provide in his 1956 budget sufficient estimates for the construction of at least two runways at the St. François airport, a few miles from Sherbrooke. In asking him to act as soon as possible, I am talking not only on behalf of the citizens of Sherbrooke but also on behalf of the population of the whole district.

I am convinced that the Prime Minister (Mr. St. Laurent), who is one of the most illustrious sons of the eastern townships, will support my request with his colleague and that when I go back to Sherbrooke I will be able to assure my constituents that the airport for which we have been waiting for such a long time will be built this year.

(*Translation*):

I conclude my remarks, Mr. Speaker, with a word of gratitude to the Lord, for He has been kind to Canada. Under the aegis of those in authority, under the leadership of the real patriots who are guiding our party, Canada is gaining in importance every year. Its vast economic wealth is envied by the rest of the world. In the international field, the wisdom of our statesmen is recognized by all, and people from all parts of the world now come to consult with the heads of the Canadian government with regard to the complex problems upsetting other nations.

Canada has become a great nation, a country where we know the joy of living, where our children will be able to grow up and prosper in peace, we hope, saying, as we do now, that they are proud to be Canadians.

(*Text*):

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I should like first to congratulate most sincerely the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne. It seems to me we agreed last year that in the interests of saving time these little formalities were not going to be observed any more, and therefore I think the number of members who have commented on the excellence of their remarks is a tribute to them. I also think many of us are happy to see the very belated recognition of the importance of women in this house which was accorded by the selection of a woman to move the address in reply.

To the seconder, the hon. member for Bellechasse, I would sound one word of caution. Do not look forward to anything on the basis of your experience to date. As long as you remain on the government side of the house do not look forward to having great opportunities to indulge your oratorical prowess. There is the greatest bunch of tongue-tied orators over there I have ever seen or heard of in any legislature. To prove my point may I present a little statistical support of what I have said for the benefit of the hon. member for Bellechasse. I investigated to see what had happened to the hon. member for Verdun (Mr. Leduc) who moved the address last year. He managed

to get into the fray actually more than is usual, but still only twice during the remainder of the session with comparatively short speeches. As a matter of fact, if it were not for those of us on this side of the house who have the responsibility of putting forward the views of the people of Canada, we could go home—I worked the matter out on a statistical basis—at the end of approximately 30 days. I certainly think that the people of Canada expect more attention to be paid to their business and more effort to be put into the debates than has been evidenced over the past years in the contributions of government members. I just mention that matter because I would not want the hon. member for Bellechasse (Mr. Laflamme) to be disappointed when the gag goes on during his subsequent stay in this house.

I, of course, occupy a new location in the house this session. I am not quite sure whether it is the C.C.F. party to my left—that is what they are in some parts of Canada—or whether it is the social democratic party to my left—that is what they are in Quebec. I want to say that it is nice to be a member of a party that has the same name, principles and the same ideals no matter what part of Canada you come from.

An hon. Member: What about the Liberals?

Mr. Knowles: What about yourself? Are you a Progressive Conservative or a Conservative?

Mr. Hamilton (Notre Dame de Grace): I should like to turn now for a few minutes to the Post Office Department which is a subject of considerable interest to most people in Canada. Do I hear from the other side of the house an interruption "Not again"? That is so typical of the attitude on that side. I think it came from the treasury benches. Perhaps the hon. member might identify himself rather than throwing in interjections without identifying himself. Apparently he does not want to be identified.

Mr. Robichaud: Are you giving orders?

Mr. Hamilton (Notre Dame de Grace): The difficulty of the government—and it is one among many others—is that they do not like to have in this house discussion of subjects of importance to the Canadian people about which the Canadian people are disturbed and annoyed. I think there is no better indication that the post office is one of those subjects than the fact that someone from the government benches says "Not again". He would prefer that the important subject of the post office be swept under the rug with all the other embarrassing little matters which they have been trying to hide underneath it. As a matter of fact, that is another reason why they should give more prominence to women in this government because, goodness knows, if ever there was any party that needed a housecleaning or any government that needed a housecleaning, it is the one now in office in Canada. I think the women are the people to do it for them. Goodness knows, the men have not done it up to date.

Toward the end of the last session we had in this house considerable discussion with regard to thefts from the post office. Substantial evidence was introduced showing the serious condition in this respect. Almost as if to prove the point,—that is the way it appears to me personally—during the recess of the house an attractive new post office in my riding was robbed not once but twice within three weeks. Here in my hand I have a press clipping which gives some details. The first time the safecrackers took $18,000 in cash and stamps. Then they came back three weeks later and escaped with about $10,000 in cash and stamps. The last paragraph of this clipping from the Montreal *Star* is interesting because it shows that even when they have the experience of something being wrong, the post office does nothing to correct it. The last paragraph of this news item reads as follows:

> Lt. Det. Richard Jones, of the Montreal police western division, said the burglars gained entry through a rear window. It was substantially the same method used in the previous burglary.

I think that is a sample of what is happening continually across Canada, namely the post office refusing to take advantage of the unfortunate experiences they have had to date.

I have another fascinating example, Mr. Speaker, of what happened to a post office and a bank in the same building on the same night, when an attempt was made to rob both; but I think perhaps we shall leave the Postmaster General (Mr. Lapointe) hanging on the wire—certainly he is not hanging around in the house at the moment—until after lunch. If I may do so, I should like to call it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Hamilton (Notre Dame de Grace): When we rose for lunch, Mr. Speaker, I was just about to make a comparison between the care of money and other valuables as taken by the post office and by the banks, in an attempt to show that many of the thefts from the post office are the direct result of inefficiency and lack of attention on the part of

the senior administrators of the department. I think an example is best drawn from a situation which arose last December in Chateauguay. I hold in my hand a newspaper clipping with photographs from the *Gazette* of Thursday, December 22. I am reading the caption of that picture which summarizes the situation fairly well:

When Miss Marie Soyer, daughter of Chateauguay Mayor George Soyer and post office clerk for the town, entered her office yesterday morning she saw a scene of wreckage and looting. The post office was robbed of $500 in stamps and $49 in cash when thieves smashed the lock on a box. But when the burglars attempted to loot the Banque Canadienne Nationale bank safe in the building they faced a different proposition. After drilling through the left side of the vault for at least six inches, they were forced to call a halt when they hit a solid sheet of cold steel.

Here, we have a situation in which a post office and the branch of a bank in the same building are entered on the same day. The post office is looted but the bank property remains safe. Someone listening to these words, and thinking in terms of the great banks of our larger cities, might think that the bank had an almost impenetrable vault. The interesting thing is that this clipping contains a photograph of this particular vault. We find it is an ordinary office safe, about four feet high, such as one will find in office after office across this country and costing a comparatively few dollars in relation to the valuables which it contains. It is the sort of thing one would expect a post office, when they have $500 or $1,000—in some cases $20,000—worth of valuables to have.

What do we find in this instance, and doubtless in instance after instance across the country? If the valuables are put away at all they are put away in a box, something that thieves could break open and remove the contents with a minimum of difficulty. If these thefts were only isolated around the country, perhaps we would have no major cause for worry. But the pattern as was shown last year, and the pattern that has continued to evolve month after month as is evidenced by newspaper story after newspaper story, is that the post office is considered, shall we say, a good business proposition for thieves. For some reason, almost certainly the lack of protection the post office is giving to the valuables it has, these thieves are breaking into post office after post office.

I suggest to you, Mr. Speaker, very strongly that more adequate measures are going to have to be taken in this connection. With that in mind, I shall make one very definite recommendation at this point for the benefit of the minister. I suggest he transfer to the Royal Canadian Mounted Police the complete and final responsibility for protective processes in his department. There is a great deal of uncertainty in this thing as to who is responsible for what. I think that is best illustrated by an amusing interchange which occurred in the house last year. On page 6778 of *Hansard* for July 26, 1955, in answer to a question by the leader of this party, we have the Prime Minister (Mr. St. Laurent) saying:

I can assure the Leader of the Opposition that the security measures taken by the post office are under constant review. Every time a theft occurs the circumstances of the case are considered and serious consideration is given by the R.C.M.P. to the security measures in existence—

Then there is more along the same line. Later on, we find the Prime Minister saying:

Special inquiry is going on all the time and I do not know of any better method of making inquiry and considering the system in force than the very close co-operation that exists between the post office authorities and the R.C.M.P.

Now, on the basis of the statement so far by the leader of the government one would imagine that there was close co-operation. However, on page 6779, the following page, in that same series of questions we find the hon. member for Middlesex East (Mr. White) asking the Minister of Justice (Mr. Garson) whether the R.C.M.P. was asked to assist in investigating recent post office losses in the province of Quebec. The answer is:

Mr. Speaker, I do not maintain that detailed supervision over the R.C.M.P. which would permit me to answer a question of that sort without notice. I should think, however, that they would not assist in such an investigation. The detection of crime in a province is under the jurisdiction of the provincial police and it would be only in the event of their calling in the mounted police or the post office calling in the mounted police that the mounted police would act.

In the last few days we have seen a most considerable mess in the government benches, with the ministers not knowing what they were answering and with contradictions between one another, so this should come as no surprise. Let me emphasize that here again, on the same day within a few minutes of one another, you have the Prime Minister of this country saying there is very close co-operation between the R.C.M.P. and the post office, and the R.C.M.P. are working on these matters. Then we have the Minister of Justice under whom the R.C.M.P. comes, stating he does not think they would be called in on a particular case. It is for that reason I suggest that the present investigatory staff of the post office, which, according to the estimates of last year, numbers five people, might very well be transferred to the jurisdiction of the R.C.M.P. Certainly the R.C.M.P. should be given final and absolute responsibility, in so far as federal jurisdiction is concerned, for the protection of Her

Majesty's mails. I feel that if that were done this fine national police force we have would make considerable progress in a field which has so far given us nothing but a cause for worry.

Turning to another aspect of the post office service I should like to ask again, as I did last year, that the post office consider the re-establishment of the two-a-day mail delivery rather than the present one-a-day system which extends into such a large part of Canada. We should have a two-a-day mail delivery on a five-day week basis.

The immediate objection raised by the post office to the return to the two-a-day mail delivery is the increase in the cost. As one who has discussed this thing, not only with some of the biased people in Ottawa, but with people on the lower levels right across the country, I would point out that the return to the two-a-day, five days a week delivery would not cause a major cost increase in the operation of the post office.

Some people may ask, why can we not have mail delivered twice a day on a six-day basis? I would point out to them that the great majority of the industrial concerns of this country even our banks and other businesses, are now on a five-day week basis, and that from a realistic point of view it would be better to have ten deliveries a week than the existing one delivery a day for six days.

My second point is that such a system would eliminate a great deal of the difficulties now arising in mail delivery across the country. Under the present system, in order to arrange for delivery six days a week, the post office must employ a man for one of those six days who is unfamiliar with the route, and who rotates from route to route, spending only one day a week on each route. That enables them to have a five-day week for their employees. However, mail service is a very personal thing. All the myriad little changes which occur on a route are not known to those rotating mail carriers, or supervisory letter carriers, as the technical term is. The result is, there are continual complaints, continual difficulties and continual embarrassments for the post office.

Under a five-day-a-week system, the same man would service his route continuously, and the service to the people of that route would be improved as the number of complaints would be reduced. Another great advantage of this, Mr. Speaker, would be that the system would eliminate the miserable unfairness which the post office has instituted for most of its letter carriers on the island of Montreal. Unlike the rest of Canada where seniority is given primary consideration in establishing summer vacations for letter carriers, another factor has entered into the picture in Montreal, and that has moved supervisory letter carriers of comparatively few years' experience ahead of men with many years of experience on the vacation lists. If this were being done across Canada on an equal basis the post office might perhaps claim that there was some reason for it and that it was necessary, but it has been instituted in only a very few centres in Canada. In Toronto they have a totally different system of establishing the vacation period. I suggest to you, Mr. Speaker, that this inequity should be remedied. We tried to get that done last year and we were unsuccessful. The reason given was that it was brought up just as the vacation schedules were being established. Well, this year, slow moving as the department is, and slow moving as the minister may be, we at least have sufficient time for him to make up his mind and do something about this particular situation.

Let me turn now to a few things of local interest in Montreal. I should like to join my voice to that of the hon. member for Dollard (Mr. Rouleau), when he gets around to it, in suggesting that there be an underpass constructed, and that very shortly, on Decarie boulevard, north of the Cote de Liesse traffic circle. That is a major traffic artery in the city. It presents a considerable danger, with trains periodically travelling across it. It is the wish of the people of that area that something be done about it and before too long.

I could not help but be amused by the typical example of this government's operation which I saw not too long ago in connection with the St. Lawrence seaway. I am delighted to see the Minister of Transport (Mr. Marler) in the house at this time. The seaway, of course, is well under way. We have already poured out millions upon millions of dollars into the construction, and now we are going to make models of it. I have no doubt that the models may serve a purpose. It is not the models that I object to so much, Mr. Speaker, as the basis on which we are going to house them. In the *Globe and Mail* of Toronto of December 6 we find this:

> The seaway authority also announced that a $500,000 contract has been awarded for the construction of two models of the seaway sections in the Montreal area.

Further on we find this:

> The contract calls for the construction of a $300,000 building to house the models. The models will cost an estimated $120,000.

In other words, Mr. Speaker, they are going to have a building to house a model which is two and one-half times the value of the

model, a model of something which is already well on its way to completion. There is very grave doubt in my mind of the necessity for such a building, particularly even if we admit the need for the model.

The other day I listened with a great deal of interest to the comments of the Minister of Trade and Commerce (Mr. Howe) on the question of wheat and agriculture. I must say that after having travelled across this great country of ours not more than a couple of months ago from Winnipeg through to Vancouver and back, and after having listened to many people in that area, I came to the conclusion that the government has a certain policy on wheat and on agriculture. I have come to the conclusion, Mr. Speaker, that it is a two-part policy. It is compounded in equal parts of faith in the Liberal party and hope for a crop failure. As far as I have been able to see, that is about the only helpful advice or counsel that the government has so far been able to put forward in connection with the wheat surplus.

I do hope that when the estimates come down later this year we shall be able to get an explanation of some of the items in the public accounts book which reached us recently. The attention of hon. members should be drawn particularly to this book because there is so much of interest in it. I looked at a little item in the book only this morning and I discovered that one gentleman had drawn something over $11,000 in travelling expenses in the year ended March 31, 1955, and another gentleman had drawn something over $7,800 in travelling expenses. Both of these gentlemen are in the Department of Transport. I am reasonably sure that in the one case there is an explanation, but it is interesting to note that that explanation was brought forth by questioning by myself in the house last year. I believe the department has changed its policy in this regard.

This gentleman drew $11,000 in travelling expenses but what actually happened in that particular case is that he had a number of people working for him and he put in for their travelling expenses as well as for his own and apparently disbursed the money back to them. That policy I am informed has now been changed as a result of the representations made last year.

Let me point out that it was not until this matter was brought up in the house and the government criticized on that particular point that anything was done about an employee of the government disbursing funds to other employees. Eleven thousand dollars is a sizeable amount of money to give to any one individual to use to pay the travelling expenses of other people.

I am not at all sure that the same explanation applies to the other case which will be found on Z-84 of the public accounts. In that case the man received $7,865 in travelling expenses last year. I look forward with considerable interest to an explanation of that case.

When selecting people for government service there seems to be a practice on the part of the government to insist on abnormally high qualifications for particular jobs. Let me say at once that properly trained, properly educated, properly prepared people are necessary for many of the posts in our government, but at the same time let me say that there are many jobs which do not require a university degree as a qualification. Individual cases should be examined on their merits. Let me show what the government is doing in certain cases.

I have here an advertisement for fire protection officers, whose duties will be, under the supervision of the dominion fire commissioner, to inspect, test and report upon the condition of fire protection facilities including chemical extinguishers, stand pipes and hose systems, automatic sprinkler systems and the like. We have all seen this type of man who occupies a most important position going up and down the corridors of important buildings checking the fire extinguishers to see that they are in operating shape.

The desirable qualifications given for this position include graduation from a university of recognized standing in science, majoring in mathematics, physics and chemistry with preference being given to applicants with at least one year of experience in fire prevention or related work with boards of insurance underwriters, and so on.

One hardly needs a man with a university degree to go around checking fire extinguishers, stand pipes and automatic sprinkler systems. I make that statement with the proviso always that we must have people who have adequate training, adequate education and so on to fit them for the particular job they are going to do.

Mr. Reinke: Would the hon. member outline the duties as listed?

Mr. Hamilton (Notre Dame de Grace): I shall be delighted to read them again. I do not know where the hon. gentleman was when I read the duties.

Mr. Reinke: Verbatim.

Mr. Hamilton (Notre Dame de Grace): I shall be delighted to read them again. Apparently it takes twice as long to get something through the heads of some people in this house as it does to get it through the heads of most people.

Mr. Reinke: It all depends on where it comes from.

Mr. Hamilton (Notre Dame de Grace): Considerably more than the hon. gentleman who has just asked the question. The duties are:

Under supervision of the dominion fire commissioner, to inspect, test and report upon the condition of fire protection facilities including chemical extinguishers, stand pipes and hose systems, automatic sprinkler systems, fire alarm and watchman systems, hydrants and fire pumps; to inspect and report upon fire exits and fire spread and exit protection in government owned or leased properties in the Ottawa area; to recommend necessary corrections in fire prevention equipment and practices in a variety of types of buildings involving common and special fire hazards; to assist senior fire protection engineers in professional inspections, tests etc.; and to perform other related duties as required.

I hope that the hon. member got that the second time around. Another case concerns a particular officer that I must admit the government is badly in need of, that is a pest control specialist to use on their own ranks. This man will be required to develop a continuous program for more efficient and economical control of insects and rodents at all army installations; to review, study and evaluate methods and techniques and recommend adoption of most efficient and economical means of control in individual projects. The advertisement then goes on in similar vein. Here is a man who is to be a rat catcher on a large scale. Essentially the job is that of pest control. It is a most practical job, but he must have graduated from a university of recognized standing with specialization in biology.

Mr. Murphy (Lambton West): And be a Liberal.

Mr. Hamilton (Notre Dame de Grace): As someone says, "And be a Liberal." More and more one wonders whether these specifications are drawn up with someone specially in mind. I do not know that and I do not suggest that. This is not a matter of sour grapes as I am a university graduate. I feel most keenly that university training is required in many positions, but I am open-minded enough about it to realize that there are many positions to fill in this country where that sort of experience and education is not required. The quickest way to make a person unhappy is to take a man of superior education and perhaps intellectual attainments and put him at checking fire extinguishers in a government building and setting rat traps. It seems to me essentially that is what the government is trying to do in these two cases and I bring them forward for your consideration.

A matter which is causing considerable concern in Montreal has to do with the Minister of Justice (Mr. Garson). Our hope is that he will consider amending the Criminal Code to cover the operation of private card houses. As I understand it, at the present time the Criminal Code legalizes the operation of a room or club where for the payment of 10 cents an hour or 50 cents a day people may play cards or gamble legally. It seems to me that this should be corrected. When that section was included in the Criminal Code 50 cents a day or 10 cents an hour were realistic amounts, but the cost of everything has gone up and this section should be corrected on that ground alone quite apart from the inconvenience and trouble it is causing the Montreal police department at the present time in proving cases against people.

I want to express the hope that this year those members of the government who occupy the treasury benches will keep their noses to the grindstone and stay with us in this house. Some of them are quite good about it but others are a little bit delinquent. I am not only thinking of the Minister of Defence Production (Mr. Howe) who went off salmon fishing last year when his bill was up in the house.

I do want to express my regret at one particular instance. In the heat of last summer, when we here were doing our very best, I read in the newspaper that a certain cabinet minister had arrived in London for a two-week vacation. It so happened that during the course of that vacation his estimates were considered in the house and were quite ably handled by another minister. I am not going to name the particular minister, as I think it would be a little unfair to him, but this illustrates an approach to this house and to the nation's business that, in my opinion, is very strongly to be condemned. That is only one illustration of their disregard for their responsibilities and disregard for the work of this house, and it could be multiplied many times.

I should like to mention just one final point, since I see I have a moment for it. Earlier in this speech, I gave an illustration of the confusion existing between the Prime Minister and the Minister of Justice regarding what the R.C.M.P. and the Post Office Department were doing. I wish the departments would get themselves at least halfway sorted out. I have here an advertisement by the Department of Citizenship and Immigration for an architect with several years' varied experience to help with all types of buildings for Indian agencies and reserves across Canada. We all know that the primary responsibility of the Department of Public Works is in that

field, but now we find that the Department of Citizenship and Immigration has to have its own officer.

Then we find that the Department of Northern Affairs and National Resources is looking for an engineer to be responsible for certain installations in the Jasper national park. On the other hand, the Department of Public Works is looking for two engineers to take care of highways in the national parks. In other words, these departments, in the confusion which is so rampant in the government, are running one over the other willynilly. Without any consideration for the taxpayers, without any consideration for expenditures, without any consideration for anything except building their own private empires, these ministers, one after the other, are advertising for people, and in many cases they do not even know what to do with them.

I am quite sure that, when the estimates come up for consideration this year, we shall be able to look at some of these situations, and we shall certainly give the government every possible help we can in straightening out the stupid mess it is getting itself into today.

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, I should like first of all to offer my congratulations, as previous speakers have done, to the hon. member for Timiskaming (Mrs. Shipley) on the very fine way in which she moved the address in reply to the speech from the throne. The hon. member for Timiskaming is one of the outstanding women of today. She was outstanding in her own riding before she came to this house and she has certainly been an asset to all of us here and a credit to the women of Canada. I am quite sure that her appeal to the Prime Minister to appoint a woman to sit on the civil service commission will not fall upon deaf ears.

I should like also to congratulate the seconder of the motion, the hon. member for Bellechasse (Mr. Laflamme). His fine oratory and his knowledge of parliamentary business were very apparent, and we certainly welcome him to this corner of the house.

The matter about which I intend to speak today is, to my mind, of very urgent public importance. I had intended to discuss it when the estimates relating to the Department of Justice were before the house but events over the past four weeks have been of such a serious and critical nature that I must bring it to the attention of the Minister of Justice and the hon. members of this house at this time.

The city of Hamilton, in which I have the honour to represent the riding of Hamilton South, is, I believe, an average Canadian city. One of my hon. friends says it is a little better than average, and I agree with him. In the space of a few more years it will no doubt reach a population of a quarter of a million people, since we are now fast approaching that population. The people of Hamilton, as I have said, are average people; they are hard-working, industrious, peace-loving citizens fulfilling their duties to their families and to their communities.

I point out this fact because what I am about to say affects the citizens of every town and city across this great dominion of ours. Whilst I am going to refer to my own particular riding, it is only because I am more cognizant of conditions there than I am of any other communities across Canada.

The people of our municipality are incensed, the citizens are riled, they are desperate and they are afraid. The men are afraid for the safety of their wives, and parents for their daughters. Why are they afraid? Because we have never in the history of our city experienced a more serious and despicable wave of heinous sex crimes than at the present time. Since December 5, eight cases of sexual assault have been reported to the police. Of these assaults reported, five have been brutal cases of rape.

Last Friday night a small young mother of a young child was hauled into a car as she walked along the street in the west central part of the city. She was taken to the outskirts of the city, was attacked by two men who were in the car, and was turned loose to wander about in a dazed condition until she finally reached a telephone. Since that time, an 18-year-old girl was abducted by two men, badly beaten, taken to a motel on the outskirts of town and there assaulted by one of the men.

Last Monday night, a 52-year-old woman complained to the city police that she had been raped by two men on a lonely township road just outside the city limits.

The week end before Christmas, a young couple walking home from a dance were assaulted by two men. The husband was knocked to the ground partially unconscious. His terrified wife was pulled into a car, assaulted and left near a small town on the outskirts of Hamilton.

Just two weeks ago, a 15-year-old girl on her way home from a skating rink in the east end of the city suffered a similar fate. On Sunday morning, a daring daylight attempt was made by two men on a 25-year-old girl. Here it is reported in the Hamilton *Spectator* of Tuesday, 17th January:

> The attacks have resulted in strict security regulations being put into effect at the student nurses' residence at St. Joseph's hospital. Girls

are not being allowed out alone at night and all late passes have been cancelled for the time, it was learned today.

Many parents are taking the precaution of driving their daughters to and from places at night until the case is cleared up.

Then we have another account on the following evening, Wednesday, 18th January. The *Spectator* for that date contains the following report:

One of those "barbaric rapists" who have been terrorizing young women in the Hamilton district recently could be that young man who lives next door! If you're hunting for the $3,000 reward money offered for their arrest don't assume that the wanted pair are thuggish "bums" from the underworld. You have the word of their latest victim, the attractive young woman who was attacked in broad daylight at Aberdeen and James streets Tuesday, that they are not.

"That's the surprising part of it," she told the *Spectator* this morning. "The man who grabbed me seemed like a quite ordinary young man."

"You mean he looked quite respectable?"

"Yes, he did. He was neat and clean. There was nothing untidy or dirty about him."

I have no doubt whatsoever, Mr. Speaker, that the police of Hamilton will apprehend these thugs. Four of these attacks have taken the same pattern and are attributed to the same men. But what will we do with these callous, hardened beasts, once they are apprehended? What will happen to the degenerate who murdered 5-year-old Susan Cadieux of London, who after this despicable crime left her to die of exposure? What will happen to the sadistic rapist who spirited away 13-year-old Linda Lampkin of Toronto Wednesday night, strangled her with her own scarf and, according to newspaper reports, threw her battered body from a moving vehicle on Commissioner street in Toronto?

Most people are not aware, however, that the biggest percentage of these degenerates are sane. To back up that statement I should like to read the opinion of the superintendent of a mental hospital as reported in the Hamilton *Spectator* of Tuesday, January 17, which is as follows:

Dr. J. N. Senn, superintendent of the Ontario hospital here, said today the majority of suspected sex offenders committed by magistrates for observation are returned to the courts as sane persons.

I am not in a position to criticize the punishments or penalties handed out by our courts, but I will say that either our Criminal Code should be made more stringent or it is not being enforced severely enough, and I am inclined to lean towards the latter view. Section 136 of the Criminal Code reads:

Every one who commits rape is guilty of an indictable offence and is liable to imprisonment for life and to be whipped.

I think this section is perfectly clear. I believe every man who commits this offence should receive the maximum penalty. He should be put out of society for all time and be given lashes. Section 137 reads as follows:

Every one who attempts to commit rape is guilty of an indictable offence and is liable to imprisonment for ten years and to be whipped.

Here again I suggest that every offender should receive the maximum penalty. These people deserve no sympathy. I am speaking now of course of the sane person who wilfully and methodically sets out to carry out this act. As I have pointed out from good authority, I believe most of them come under this category no matter how they may try to hide behind the curtain of insanity. The penalty is there and must be meted out severely to act as a deterrent to others.

But more dangerous perhaps than the type of criminals I have just mentioned, who have been molesting women and children in Hamilton, is the type of sex deviate involved in the last two instances I referred to, the Cadieux case in London and the Lampkin case in Toronto. This is the type of criminal who, after committing this foul deed, kills his victim for the purpose, I suppose, of hiding his identity. The Hon. Kelso Roberts, attorney general of Ontario, expressed his views in the Toronto *Star* of January 12, 1956, as follows:

We are concerned about these cases and we are studying the problem but we have got to move slowly. I sympathize with the people who are angry over these recent assaults on children. But we cannot just go around locking up each and every sex deviate. We are not behind the iron curtain. We have got to try and understand each individual problem.

I must say, Mr. Speaker, that I most vehemently oppose this opinion. I should like to know why in heaven's name we cannot lock up each and every sex deviate. To my mind any man who is guilty of molesting small girls or full grown ones, for that matter, is a sex deviate. Under section 661 of the Criminal Code these men can be taken out of society for an indeterminate period and for life if necessary. I suggest that if the act of molesting, which in effect is an indecent assault, takes place more than once, society should be rid of that person at least until this complex problem is solved and while it is being solved.

To me it would seem reasonable to assume that the sex deviate probably begins his life of crime in the same way as a bandit or an alcoholic. It is very unlikely that a thief would attempt to rob the main branch of the Royal Bank of Canada in Ottawa in his first attempt at crime. I cannot conceive of a person becoming an alcoholic after one drink. It is a state that is brought into being progressively as the person becomes

bolder and bolder and more irresponsible, gradually acquiring a thirst that cannot be quenched. The same is true of the sex deviate. His first offence may be to watch little children playing in the grounds of a school and attempt to entice them away. Becoming bolder and bolder and taking fewer precautions, he is finally successful in luring them to their downfall and leaving them maimed for life or ravaged and killed.

If life imprisonment and the lash are not enough of a deterrent, then these crimes must be prevented before they happen by taking these molesters out of circulation. I maintain that these men, who are urged by some mental deviation to molest children, even though it may be in a minor way at first, should be held in custody, and if they have not been guilty of indecent assault under section 141, which deals with that crime, we should add another section to this part of the code to deal with those who begin with a minor sex offence. One thing I am certain of is that we must be strict in dealing with these men.

I am pleased that at last we have section 162 dealing with peeping Toms. You have no doubt read of sex crimes committed by criminals who started by peeping in a window of an apartment or a home. The first thing you know some urge impels them to gain entry and then there is an assault and possibly a murder.

Some five years ago I had a personal experience in this connection. We were preparing for bed one evening and our dog kicked up quite a racket. I threw on my dressing gown quickly and went out to investigate. I arrived in time to see someone jumping over the side fence and then run around the side of the house next door and out to the street. A few hundred feet up the street a car was parked. Of course I was not attired to take chase but I got the colour and make of the car and so on and telephoned the police.

While I was waiting for the police to come I jumped in my own car to see if I could spot the car in the district. I noticed the car as a matter of fact cruising the district about two blocks away but unfortunately I was travelling the wrong way when I spotted it and by the time I had turned around he had disappeared. I returned to my home and waited for the arrival of the police. I was standing on the front verandah still attired in my dressing gown and, lo and behold, I looked over on the next street and saw what appeared to be someone looking in a window. I thought: How could this be so soon after this has happened to me?

I went into the house, secured a flashlight and turned it on this house which faced the same way mine did but was on the next block. There framed against a back window was this fellow looking in a bedroom. Of course he immediately noticed the light on him and took off with me after him. Here I was still only in my dressing gown. He ran down the block a hundred yards or so and I think I was gaining on him a little. I was younger in those days and in better shape. He jumped in his car and fled.

But this time I was fortunate enough to secure the licence number, so I turned it over to the police and he was apprehended. My wife and I picked him out of a line-up the next day, and sure enough it was he. He came from a good, respectable family in Hamilton, and was married and had two or three children. As a matter of fact, I felt sorry for him. He having pleaded guilty to this offence, the judge said, "I am powerless to convict him", and he was let off on suspended sentence. Of course at that time the code contained no provision for this type of crime. He was let off, put on a $100 bond and I think for a period of two years he was to stay out of that district. That was all the satisfaction that I had after this man came to my own window and within half an hour was looking into the window of someone across the street.

Let me read to you, Mr. Speaker, the definition of a criminal sexual psychopath as defined in our Criminal Code under section 659:

> . . . (b) "criminal sexual psychopath" means a person who, by a course of misconduct in sexual matters, has shown a lack of power to control his sexual impulses and who as a result is likely to attack—

I would ask you to note those words "likely to attack".

> —or otherwise inflict injury, pain or other evil on any person, . . .

Then it goes on and points out that preventive detention under the act means detention in a penitentiary for an indeterminate period. Are these men not criminal sexual psychopaths? Either they go back into society completely cured or they should stay in prison or in a mental institution. Whether they can be cured without surgery is not for me to say, since I am not a psychiatrist nor a doctor. In a great many cases I am of the opinion that surgery may be the answer. Those who are opposed to this solution might do well to remember the words of our Lord when He delivered His sermon

on the mount as is written in the gospel according to St. Matthew, dealing with adultery:

> 29. And if thy right eye offend thee, pluck it out, and cast it from thee: for it is profitable for thee that one of thy members should perish and not that thy whole body should be cast into hell.
> 30. And if thy right hand offend thee, cut it off, and cast it from thee: . . .

And so on. A royal commission, headed by Chief Justice McRuer, is studying the problem to see whether the section of the Criminal Code dealing with sex offences should be changed. That commission is holding meetings and has been sitting for two years in all parts of Canada. I would certainly hope that the commission will report to parliament at this session so that we shall have an opportunity to see whether this part of the Criminal Code needs some revising. Our children must come first. We are not going to keep them locked up or under surveillance while this sort of deviate runs at large.

Since 1947 when section 661 of the code was passed by parliament—that is the section to which I just referred—only 20 men in all of Canada have been given indeterminate sentences under this section dealing with sexual psychopaths. Possibly this is because sex offences are seldom repeated after the criminal has paid his penalty. Of 5,821 cases studied in New York city, 39 per cent had previous police records but for other offences. Only 9 per cent had been involved in previous sex offences. If our percentages in this country are comparable, surely 9 per cent of the sex deviates would amount to more than 20 over the past eight years. I can therefore only conclude that although under our Criminal Code we have provided a law under which to commit these men, our courts have been too lenient. This 9 per cent must be securely placed in detention forever or until there is no chance of recurrence, so that mothers and their daughters can once more move about without any fear whether it be daylight or dark.

Mr. J. W. Noseworthy (York South): Mr. Speaker, first of all I want to join those members who have preceded me in offering my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. The mover of the address, namely the hon. member for Timiskaming (Mrs. Shipley), can, with considerable justification, feel proud of the fact that she is the first woman in Canada to have had that honour. What I think may be of equal importance to her as a Liberal as well as a woman is the fact that at long last the Liberal party have succeeded in electing a woman upon whom they can bestow that high honour.

Those of us who have been here for some years, Mr. Speaker, do not expect to find much by way of progressive legislation or of new legislation proposed in the speech from the throne in the third session of a parliament with an election more than a year away. The best we can hope for is a vague foreshadowing of better things to come when election year comes around, possibly next session. It is therefore gratifying to find in the speech from the throne a promise of legislation to provide, as between men and women, equal pay for equal work in the federal section of our economy. This is a matter for which another lady member of the house, namely the hon. member for Hamilton West (Mrs. Fairclough), will be justified in taking some credit.

It would really be interesting if we were to make a study of just how much of the Liberal legislation introduced over the past years has originated on this side of the house. I think a close study would reveal the fact that most if not all of the best legislation that has been introduced by this government in the past 20 years or so was first brought to the attention of the house and the country by one or other of the opposition groups. As a matter of fact, it looks very much as though the government no longer takes the initiative or leadership in the field of progressive legislation but rather has become the agent of the opposition to implement legislation proposed by opposition groups.

Now that we have voted on the question of wheat surpluses it may be well to look at some of the other major issues that confront us today. First and foremost among those, in my opinion, is the international relationship between east and west, that which we speak of as the tension between east and west which exists at the present time. I refer to the struggle for supremacy between the communists and the capitalist countries of the world. It is the struggle for supremacy between Russia and her allies on the one side and the United States and her allies on the other. It is an issue, Mr. Speaker, the outcome of which is a matter of life and death for a whole generation of people in every country in the world today.

We can talk all we like about peaceful coexistence or competitive coexistence, but I think the cold stark fact is that as long as we have communism and capitalism dividing the world with two ideologies that struggle for supremacy will continue. The most we can probably hope for in the years to come is that the contest can be carried on without

recourse to war. In view of the situation, it seems to me we should direct our thoughts along two main lines. We should first of all seek to use all the prestige and influence that Canada can command amongst the nations of the world to avoid what Mr. Eden has chosen to call a universal explosion. Secondly, we should seek to find ways and means of demonstrating to our own people, and to the people of other nations, nations that are now teetering in their support between the east and the west, that the democratic way of life can provide more tangible benefits than can the communist way of life. As I see it, that is the twofold challenge which confronts both the governments and the citizens of the countries of the free world today.

Mr. Eden was reported in the press yesterday as having pledged the British people to keep working for some way in which the communist nations and the free world can live together without quarrelling over the domination of the world. Canada has good reason to be proud of the prominent part which our own Secretary of State for External Affairs (Mr. Pearson) and our Minister of National Health and Welfare (Mr. Martin) have played in this field. I think Canadians everywhere recognize and congratulate those ministers on the good job they did for Canada and the world during recent months. Even though there are new clouds on the horizon, even though there may be new problems arising every day, we must, to use the words of our own Secretary of State for External Affairs—

> —stand firm against tactics of divide, weaken and destroy, but equally do nothing by provocative word or policy to increase Russia's fear of the west as a threat to peace.

While we welcome those words from the Secretary of State for External Affairs, we wonder how the policy of the government which has recently come to light regarding the shipment of arms to Egypt can be made to fit in with the secretary's words. It would seem that there really does exist a right and a left in government circles, and that the government's right hand does not really know what the left hand is doing nor the left what the right is doing. We have heard a great deal of criticism regarding Russia's or the communist countries' shipments of arms to Egypt in recent months. One wonders just why we can blame one country for shipping these arms while we are engaged in the same practice.

So, Mr. Speaker, defence and negotiation must continue hand in hand. While we give our support to measures of protection against communism, we must continue our efforts to secure a genuine disarmament agreement. I want to add my voice to others in urging the government, and particularly the two ministers already referred to, to continue persevering to secure such an agreement. Here, I want to call attention to the recommendations made to the government by the Canadian Congress of Labour in this matter a few weeks ago. On page 1 of their memorandum to the government the congress says:

> The congress urges the government to press for a firm international agreement on the abolition of all stocks of atomic and hydrogen weapons and the prohibition of the manufacture and use of such weapons, under effective international control. As a first step towards these ends the government should take the initiative to obtain an agreement to stop nuclear weapon tests.

Just what is to be gained, Mr. Speaker, by continuing to build still more powerful nuclear weapons? Apparently, both east and west now have a sufficient number of these weapons to destroy each other in a matter of hours, if not in a matter of minutes. What is to be gained by building still more? Surely, since no one nation can keep such tests a secret from other nations and since science cannot yet tell us just what the disastrous effects of these tests may be upon unborn generations, as human beings, whether Russian, American, British or Canadian, we are intelligent enough to reach some agreement to stop further tests as a first step in an agreement for effective international supervision of a disarmament program.

Lord Beaverbrook's powerful newspaper, the *Daily Express*, in its New Year's message to the British people on January 2, asked these questions:

> What should be foremost in the minds of the people as the New Year opens? What should be their guiding light in the months that lie ahead?

The *Daily Express* gives these three answers:

> (1) War should be repudiated. It should be utterly dismissed from the thoughts of the public.
> (2) Armaments should be reduced to the utmost extent.
> (3) Above all, espouse the cause of world-wide control of atomic weapons. Press for it.
> Urge it upon the leaders of the nations.
> Atomic weapons have a particular horror for humanity. They hold a unique menace.
> Nothing would contribute so much to easing the tensions that exist today as the knowledge that these terrible instruments of destruction had been immobilised.
> Nothing could do more to relieve the world of its load of poison.

As the Canadian Congress of Labour points out, defence against communism is "not simply a matter of guns and planes and bombs, of armies and navies and air forces"; it is also a matter, to use the words of the congress, "of rooting out poverty and exploitation" wherever they exist. Only when

we can prove to the world that as a nation we are employing our national wealth and our national resources to root out poverty and exploitation at home, and particularly in those underdeveloped countries of the world, shall we be able to demonstrate to these people that democracy can give them more tangible benefits than can communism.

We welcome the government's proposal to increase its contribution under the Colombo plan. In the opinion of many of us that contribution is still too small. There are, moreover, a number of sectors of our domestic economy where poverty and exploitation still exist. The old age pensioner, for instance, who has to live on his $40 each month, judged by present-day living standards, is not very far removed from poverty. The employable unemployed who has exhausted his unemployment insurance and is forced to fall back upon municipal relief is oftentimes on the very edge of poverty. It is no credit to democracy, no credit to our federal government or to our provincial governments that we have another winter upon us and still no satisfactory agreement has been reached regarding the responsibility for those who are unfortunate enough to be unemployed employables.

Mr. Philpott: Ontario would not take it.

Mr. Noseworthy: I have brought both provincial and federal governments into the picture.

Mr. Philpott: The other provinces did.

Mr. Noseworthy: There are many municipalities in Canada, Mr. Speaker, which are today without financial resources to meet their responsibility for social services and education; yet while we pride ourselves on our democratic freedoms and the strength of our free institutions, we permit petty jealousies as between governments at different levels to undermine the strength of those institutions, to undermine democracy itself at a time when democracy, as we know it, is engaged in a life and death struggle for existence against communism.

Here is another example, Mr. Speaker. Our sightless citizens whom we still subject to a means test, and to whom our government refuses to grant a small special allowance to cover the cost of guiding and other essential expenses, are oftentimes brought very close to poverty. Can Canada, with its vast national product, not spare just a few dollars for those sightless persons in the name and in the interests of democracy?

We were told in yesterday's press that in the last ten weeks 180 Canadian lives had been lost through fires. Tests show that in the great majority of cases inferior building material and substandard houses have been the causes of those fires, and the cause of this appalling loss of life. Notwithstanding the improvements we have made in the National Housing Act, notwithstanding the increase in building that has come about, we have not yet seriously tackled the problem of providing houses in Canada for those who need them most. The majority of the houses built under the National Housing Act are sold to those who are in the $5,000 income bracket or higher. There are still no houses being built or made available that can be sold or rented at prices that tens of thousands of Canadians in the lower income brackets, Canadian couples wtih young families to support, can afford. Our major problem in housing is still with us. It is that of providing houses for those people.

While I am on this subject, I wonder whether the Minister of National Health and Welfare will take an opportunity soon to tell us whether or not his department considers taking some action in this field. In my opinion his department is in a better position than any other organization in this country to carry on a national, all-out educational campaign to show our people both how to prevent those fires and what to do when they occur. A very prominent specialist, a man who is employed by the insurance companies as a specialist in this field, Mr. Douglas Abbey—I think he is the standards engineer of the fire protection division of the underwriters laboratories of Canada—tells us that:

> —an informed public would go a long way toward lowering the annual toll of lives lost in house fires.

What an opportunity there is for the Department of National Health and Welfare, which every month is in correspondence with the mothers of the children of our nation, to provide the homes with some form of guidance and instruction in this field. Of course the minister will run foul of provincial regulations and responsibilities. He may even find that his terms of reference and his budget will not permit him to take action along this line. If I know the Minister of National Health and Welfare, he is a man of vision, a humanitarian, and I am sure he is man enough to rise above those petty difficulties and do something for the children to whom his department is sending family allowance cheques every month.

The leader of the official opposition has already in this debate called attention to the need for the revision of some of our labour legislation. The grievances of a large group of railway employees still remain unsolved, and no edict of the Prime Minister that these men should not go on strike is a solution of

that problem. Railways are essential in this country, and if because of competition they must be operated at a loss, then the employees of the railways should not be called upon to bear the brunt of those losses. Some means must be found other than the undemocratic method of depriving these men of a right that has been long established as a part of our collective bargaining system.

Much has been said already about unemployment insurance. I realize that the Department of Labour is watching this act very closely, and that the legislation requires continual revision to meet the needs of the day. There is one phase of this act to which I should like to direct the attention of the house.

I am given to understand that an employee who has suffered an industrial accident for which he is paid workmen's compensation suffers some loss in his unemployment insurance. While he is receiving compensation no payments are made on his behalf into the unemployment insurance fund. If after returning to work he finds himself unemployed, the number of days to which he would normally be entitled are reduced by reason of the fact that he has been drawing workmen's compensation.

It does not seem fair to me that a workman who has suffered an industrial accident, probably through no fault of his own, and who is placed on workmen's compensation of say 75 per cent of his wages for a period of time, should be penalized further by having his entitlement to unemployment insurance reduced by reason of that fact. I would suggest to the minister that some study be given to this problem and means found whereby workers who are injured and in receipt of workmen's compensation shall not have to suffer later on because of that fact.

I understand that hon. members generally are attempting to co-operate in keeping their speeches down to 25 or 30 minutes, and as a matter of fact I have been warned by our whip that if I exceed the 30-minute limit I am not likely to get on again in a hurry. So I had better watch my time.

There is just one further matter I should like to mention. I was disappointed personally, and I am sure many others are also disappointed, that no mention was made in the speech from the throne of the setting up of a Canada council to support the arts in Canada. It is now about five years since the famous Massey commission recommended the setting up of such a council, but when we heard the statement the other day by the Prime Minister that the government does not contemplate setting up such a council this year we were further disappointed.

It is difficult to understand why a prime minister who sets such a high value on culture as does our Prime Minister should take an attitude like this on this matter. The Prime Minister is a man of culture, he appreciates culture and he comes from a province where recently a Gallup poll showed there were more people supporting the idea of government subsidies for the arts than in any other province of Canada. He comes from a province where artistic culture is probably better established than anywhere else in Canada.

We wonder just what it is the Prime Minister and his cabinet are afraid of, for they must be afraid of something when five years are allowed to go by since that famous report was made. I merely want to say in closing that I trust the Prime Minister and those in his cabinet who are interested in Canadian culture will review the situation, and that before this session ends we shall have a recommendation for the setting up of this long-promised council.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, my first remarks this session must be directed to the Minister of Finance. In his budget speech last year the minister stated that in 1955 Canada would probably have a gross national product of $25·25 billion. On the basis of that gross national product he intimated that the federal government would probably have a deficit of $160 million. Fortunately for the people of Canada, the minister was apparently somewhat conservative, because instead of a gross national product of $25·25 billion for last year the figure was $26·4 billion, or $1·2 billion more than expected. I would remind the house at this time of what the minister said in his budget speech last year, at page 2733 of *Hansard:*

> I propose, therefore, to recommend a tax structure which, as closely as I can estimate, would produce a balanced budget if we had a gross national product of about $26 billion.

In view of the fact that the gross national product was $26·4 billion I think it is reasonable to expect that the government will come reasonably close to balancing its budget.

I was interested to note that in a year-end statement, the Minister of Trade and Commerce made the prophecy that in the coming year our gross national product was going to reach $28 billion. If that should happen it is quite likely that in the coming year the government will have a fairly substantial surplus.

I should like to express the hope at this time that the government will use that surplus to give our people a substantial tax cut.

I think tax cuts are needed for very obvious reasons. In the first place, they are needed to bring relief to those in the lower income groups. In the second place they are needed to spur investment in Canadian mines, industry and business.

If the minister should find it possible to bring about tax reduction within the confines of a balanced budget, I would hope that the reduction will be in the field of personal income tax. I would hope it may be possible to increase the income tax exemption for married people from $2,000 to $3,000 and for single people from $1,000 to $1,800. I believe such action would be most beneficial. I sincerely hope that the government will not wait for an election year before they grant such tax reduction.

A good deal has been said already in this debate about the wheat crisis in western Canada, and I should like to refer to it briefly. It has been pointed out many times that the wheat surplus in the west recently reached an historic peak of almost one billion bushels. Out west we have grain in our barns, in our stables, in our granaries, in our elevators. Indeed, many farmers have grain out in their fields which they have not been able to get in.

As a result the great majority of farmers have been unable to deliver enough wheat to pay their ordinary living expenses. During the past four years farm income on the prairies has dropped by almost two-thirds. I do not think it is necessary for me to belabour the point to this house that the western farmer is in real difficulty. The important question we must face this session is, what can be done about it? Is there any practical solution? Dozens of proposals have already been made in this debate. Dozens of other proposals have been made outside the house, throughout the west. Some of those proposals are reasonable; some of them contain food for thought but many of them, in my opinion, have been little more than economic nonsense.

As I see it, this issue is not a political one. It is far too important. I think all political parties should get together to see if they cannot find a practical solution to this problem. In the west, in the past few months, I have asked dozens of farmers this question: If you were the Prime Minister of Canada, what would you do to solve the wheat crisis? Most of them would look at me for a moment, smile a little, and then quite frankly admit that they did not know precisely what an over-all solution would be.

The fact is that, as I see it, there is no easy answer. There is no pat solution. There is no magic formula. If there had been, I am quite sure the government would have been intelligent enough to find it many months ago. What are some of the solutions that have been seriously suggested in this house and elsewhere? I should like to comment on five or six of them.

Some people say that we should give away our wheat to the countries of Asia, or possibly of Europe, as a solution. Speaking for the C.C.F. group the hon. member for Assiniboia (Mr. Argue), as shown on page 88 of *Hansard*, took such an attitude. Personally I feel that Canada should not hesitate to make modest gifts to needy countries for humanitarian reasons if there is a famine or something of that nature. But to propose that a billion dollars should be set aside for such a purpose is, in my opinion, neither responsible nor practical.

Mr. Nicholson: Give them a stone when they ask for bread.

Mr. Thatcher: As federal representatives we should be just as responsible with the taxpayers' money as we are with our own. I do not think members who make suggestions of this kind would dream of spending their own money in such a reckless fashion. I say again that they should be infinitely more careful in proposing to give away money that belongs to someone else, in this case to the Canadian taxpayer.

Our farmers in the west, I believe, realize that it is not practical to give away all our wheat in order to solve this problem. They know that if we started giving away wheat the government would be called on to give away our butter surplus. If we gave away our wheat surplus, maritimers would expect us to give away our apple surplus. Ontario farmers would reasonably ask the government to give away our cheese surplus. Our textile industry is in difficulty; it could press for action to give away our textiles, and so on. Giving away our wheat, in my opinion—and perhaps I am biased—is not a feasible solution, at this time at least.

Mr. Studer: Give away the socialists.

Mr. Pearson: They have no surplus.

Mr. Thatcher: It has been suggested that we should take sterling from the United Kingdom in payment for wheat. That suggestion has been mooted a great deal in western Canada. I do not believe that is much more practical at this time than the first suggestion. As has been mentioned in this house already, Mr. Gordon Bowen, the United Kingdom senior trade commissioner, came out to Saskatoon a short time before Christmas to address a farm union meeting and was

asked this question from the floor by a farmer: "How much more wheat would Canada sell to Britain if we were prepared to take sterling in payment?" Mr. Bowen made the flat and categorical answer: "You would not sell one solitary extra bushel more." So that disposes of this solution.

A third suggestion which is frequently made is that we should cut the price of wheat to encourage consumption. I certainly believe that the Canadian wheat board at all times must meet price competition, because if it does not it is going to lose its traditional markets. But my understanding is that it is already doing this. Today prices paid to United States, United Kingdom, German, Belgian and Argentine producers, and to producers in other countries, are considerably higher than the Canadian export price.

From past experience it seems very doubtful that a cut in price would sell more Canadian wheat. In the depression years the price went as low as 30 cents a bushel, and we did not sell very much more. In fact in some cases we actually sold less, because some of the countries put up the tariff to protect their own home producers against cheap Canadian wheat. It seems to me that if Canada cut her wheat prices today, probably Australia, Argentina and the United States would soon follow suit. None of us would sell any more wheat. Canada probably would not regain a larger proportion of the market, and in the long run the western farmers would be in a worse predicament than when we started. So I reject this third suggestion as not being feasible.

A fourth solution which has sometimes been suggested is that we should reduce the amount of acreage sown to wheat. If, to the extent that wheat acreage is taken out of production, rye, oats, barley, corn or hay is planted in its place, I am all for it. But I think it is contrary to economic sense and to humanitarian principles to encourage a farmer to take his land out of production altogether, when there are so many hungry people in the world.

A fifth suggestion, of which we have heard a good deal in this house, is that we should accept barter in return for our wheat. Personally I have nothing against barter. As a matter of fact, if a nation could be found which had something that Canada could use, to barter for wheat, I would be in favour of it. However, I have not been able to learn of any such country. I would very respectfully point out that those who suggest barter as a method of getting rid of wheat should be more specific. They should talk less in generalities and tell us precisely what country wants to barter with Canada for wheat. Then, if it is practical, let us go ahead with it. Personally I am rather of the opinion that barter would have as much effect on our wheat surplus as a pail of water taken from the Ottawa river would have in lowering its level.

A sixth proposal sometimes put forward is that we should scrap the Canadian wheat board and get back to the Winnipeg grain exchange. This school of thought proposes that we should let the law of supply and demand set the price of wheat. Personally I would hope that this course is not followed, because if the law of supply and demand were setting the price of wheat today, with our huge supplies on hand, the price would soon drop very sharply and drastically.

I could go on about some of the other proposals which have been made in this house to get rid of our wheat surplus. As I see it, none of them would do very much more than nibble at the crux of the problem. In my opinion it is a mistake for any citizen to feel that the government, by waving a magic wand of some kind, can get rid of this wheat. Unfortunately our grain economy is not under the control of the government; it is under the control of an uncontrollable world market.

I have always felt, and I feel more strongly than ever today, that the most practical way for the prairie farmers to get rid of large quantities of this grain is to feed it to livestock and poultry. I believe that such a program should channel some of our borderline grades of feed wheat into livestock consumption rather than into human consumption. I certainly do not suggest that this is the over-all answer. It is not, but it would put a good deal of cash into the hands of the farmer.

Some people will immediately say this is no solution because as soon as you feed grain to livestock and hogs you will have a glut of those particular farm products. I admit there is that danger, but apparently we are not very close to it at the moment. Today we are consuming practically all the beef and hogs we produce in this country. As a matter of fact, lately we have been even consuming a little of the United States production, because since November 12 last, carload after carload of steers has been coming into the Toronto market. Since that date approximately 5,400 United States cattle have been imported for slaughter by Canadian packing houses.

I say that through immigration, through natural increase, our population is growing by 400,000 per year. That is a pretty healthy increase but I do not think it is enough. If the government really wants to do something

about the wheat crisis it should increase immigration. It should bring in not 125,000 people a year but 250,000, so that our home markets will be enlarged by people who will eat meat and dairy products. That will be a secure market. That would be the place for our farmers to start to get rid of some of their grain. Our farmers could then safely diversify. They could feed a lot of this wheat to cattle. If the glut is to be ended the government must build up our home market.

I would also remind the house that there is yet another market for Canadian meat products. Today, for reasons of price, Canada is not taking advantage of the provisions of the Geneva trade agreement which permit us to ship large quantities of meat to the United States. For example, as far as cattle are concerned there is a tariff today of 1½ cents per pound on the first 200,000 calves shipped to the United States, and a similar tariff on the first 400,000 cattle over 700 pounds shipped to that country. In the first 11 months of 1955 we only shipped 4,600 calves and 55,000 cattle south of the border. This means in effect that we only took advantage of 1·6 per cent of our minimum market for calves in the United States and 14 per cent of our minimum market for cattle.

What about hogs? Under the Geneva trade agreement we are permitted to send unlimited quantities of hogs to the United States by paying a tariff of 1 cent per pound. Yet last year, again for reasons of price, we only shipped 8,212 hogs. As far as sheep are concerned, we can sell unlimited quantities by paying a tariff of $3 a head, but in the 11-month period we only exported 8,382 sheep. Much the same situation exists in connection with poultry.

I say we are missing the boat. I admit that the United States already has large surpluses of certain meat products. Nevertheless they signed a trade agreement with us which permits Canadian livestock to enter their market when the price is sufficiently attractive. If they live up to the agreement I see no reason why Canadian farmers cannot compete over the ensuing years with a reasonable degree of success.

I repeat that, as I see it, the most practical way for parliament to fight the grain crisis is to encourage our prairie farmers to diversify their economy. If diversification is to be successful our home market must be built up, and the United States market must be cultivated. Personally I think the legislation announced by the government in the speech from the throne, which has as its purpose the paying of abnormal storage charges on wheat, will be welcomed in western Canada by pretty nearly everyone. At the same time I think the government erred in making loans available through the banks instead of making advances on farm-stored grain. However, I am going to comment on that legislation at the appropriate time.

I said a moment ago that in my opinion it is not reasonable to expect the government to solve the wheat crisis by waving a magic wand. However, there is one place where I think the government can be severely criticized. As has already been pointed out by various speakers, there are large quantities of elevator space available in western Canada. Some people suggest that there is space for 100 million bushels. The Minister of Trade and Commerce (Mr. Howe) said this morning that it was only about 58 million. Whether the figure is 100 million or 58 million, that space should be filled. I think the situation which permits such empty elevator space to exist is inexcusable. The minister or the responsible authorities should tell the railroads that they are expected to give top priority to box cars for moving grain. If such action were taken I think it would do more than any other single thing to alleviate immediately the cash picture in the west.

Mr. J. A. MacLean (Queens): Mr. Speaker, in the more leisurely days of the past it has been customary for all hon. members taking part in the throne speech debate to congratulate the mover and seconder of the address in reply to the speech from the throne. As far as I can determine it has been customary to carry out this bit of good manners even on occasions when the recipients were not particularly deserving because their efforts were only fair. However, those leisurely days are gone forever, and we now find ourselves operating on a schedule. We are faced with the problem of conducting ourselves suitably in this new age of efficiency and expedition.

We find ourselves in circumstances where debates, arguments and controversies must be carried on under a pre-set schedule. It is not surprising, therefore, that many hon. members rising to take part in this debate this year find themselves torn between two desires. On the one hand, they wish to comply with the spirit of the new rules and get down to the business at hand as quickly as possible. On the other hand, they do not wish to break away from the traditions of gallantry and good manners evidenced by complimenting the mover and seconder. Our desires in that respect are even less

compatible this year because not only gallantry but chivalry are involved on this occasion, since for the first time in the history of this parliament the mover of the address has been a lady.

So here we are impaled on the horns of a dilemma. Shall we proceed to the business before us immediately we rise to speak and run the risk of appearing rude, or shall we carry on the traditional courtesies to which we have become so accustomed and run the danger of infringing on the time of some other hon. member who may have something really worth while to contribute to the debate? By way of compromise I should like on this occasion, not only on behalf of myself but, if they will permit me, on behalf of all hon. members planning to take part in the debate, to congratulate most heartily the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

I turn now to the speech from the throne itself, and I wish to quote one short excerpt. It reads:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

Then it goes on to make reference to wheat. I presume, therefore, that one of the sectors which is not participating fully is the industry of agriculture. If the statement refers to agriculture, it is an understatement almost without parallel. I say that for the reason that agriculture is a keystone of our whole economy. I think it is fair to say that about 50 per cent of the people in Canada either directly or indirectly depend upon agriculture for their livelihood. Agriculture is therefore a vital part of our economy. Merely to say in passing that it is a sector which is not sharing fully in the general high prosperity is somewhat similar to a medical doctor's saying, when reporting on the health of a patient, that the patient looked fit all over with one minor exception, namely that his throat was slit from ear to ear.

We should remember that every depression in Canada since confederation began in the first instance because the farmers in this country did not have the purchasing power with which they could go to town and buy a lantern, a set of harness, a tractor or a light plant, as the case may be.

The Minister of Trade and Commerce has taken exception to the fact that some hon. members have seen fit to criticize the fact that our agricultural surpluses are accumulating, especially in wheat. He took the attitude that surpluses are an unmixed blessing, and that we do not ever want to be in the position of old Mother Hubbard. That is perfectly true. But we should remember that almost anything, if carried to excess, can cease to be an advantage. If out of her abundance nature showers us with material blessings in the way of food, raw materials for clothing and so on, and if this country of ours becomes, literally and figuratively, a land overflowing with milk and honey, it is a good thing provided that special difficulties are not created. In most cases special difficulties of economics arise under those circumstances. It should be remembered that the promised land which overflowed with milk and honey is now a desert. Anything can become excessive. It is always possible to reach the point where virtues become vices and where assets become liabilities. When the minister put his defence of surpluses on those grounds I could not help being reminded of a young lady in my province who went to a psychiatrist complaining bitterly that her husband claimed that she was crazy simply because she liked pancakes. The psychiatrist said, "Your husband must be a most unreasonable man, because I myself like pancakes". She said, "Is that really so? You must come over to my house some time and look at mine. I have a whole trunkful".

Surpluses in themselves are not something of which we should be afraid. But if agricultural surpluses mean that we are going to have a depression in agriculture, with the attendant dislocation of our whole economy, we must be concerned with excess surpluses. If this government are developing a guilt complex over the present state of affairs as did Macbeth after he committed his well-known crime, I suppose they will have misgivings about their course of action. As you will remember, Mr. Speaker, under those circumstances Macbeth was visited by several characters from the hereafter. I do not think it has been definitely established whether or not that sort of thing ever occurs with the cabinet but if it does it might be appropriate that one of the visitors the cabinet might have from the hereafter would be one of the same visitors that Macbeth had on that memorable night. Among the ghosts who visited him was a farmer who had hanged himself on thinking of the prospects of a bounteous harvest. That is about the position in which the farmers of Canada find themselves at the present time.

As a matter of fact, Mr. Speaker, the situation in agriculture—at least in my part of the country; I do not pretend to be able to speak for the west—is extremely serious. Agriculture cannot continue to exist in the economic atmosphere in which it now finds itself. It is true that the result will not be felt for some time. It is true that the farmers are still carrying on trying to make ends

meet while their machinery is wearing out, their soil is being mined and they are drawing on their capital in every way. It is also true, especially in my province, that farms are still being operated by elderly people who cannot, at their stage in life, change to some other more profitable occupation. Hence they decide to mine their soil, let their plant run down and eke out a living in that fashion until they are old enough to qualify for admittance to an old people's home. The tragedy of it is that among the rising generation there is almost no one to whom agriculture appeals sufficiently, on economic grounds, to entice him to the land to carry on where his father left off.

Defenders of the present agricultural situation may take refuge in statistics to prove that farmers are not as badly off as we farmers think we are. I should like to point out that statistics are a good thing if properly interpreted and if used for the purpose for which they were intended, but one should not forget that there are a great many things that statistics do not tell. When statistics say that the net farm income of the Canadian farmer has dropped by a certain percentage, it means more than just a few cold figures. It means that with every percentage drop in the net income there are hundreds if not thousands of farms in Canada that have been operating for a century which must go out of business. These farms rapidly reach the point where they have little or no market value as agricultural land, quickly reach the point of no return, and are thus permanently lost to the Canadian people as a potential source of food and clothing.

It may be true that a few favoured farmers are still doing reasonably well. There may be farmers who find themselves with a large plant, a local market, good land and other special circumstances which put them in a favoured position. But all the farmers in Canada are not large producers. I do not have the figures for Canada, but it is a fact that in the United States 50 per cent of the agricultural production is produced by 10 per cent of the farmers. The other 90 per cent are important people, too. If they are eliminated from our economy, dire results will ensue. So I hope no one will try to dismiss the very difficult situation in which thousands of Canadian farmers find themselves by saying that farm net income has only dropped by a certain percentage in the last year.

As I said before, statistics can be deceiving. It is said that at one time there was a lumber camp in New Brunswick in which there were 100 men and two female cooks employed. Some statistician reporting on the state of the camp, and noting that one of the men had married one of the cooks, reported that 1 per cent of the men had married 50 per cent of the women.

There are three possible explanations of the government's apparent lack of concern about present conditions. One possible explanation is that the government do not realize the seriousness of the situation. It may be, too, that they know what is happening but think it is a good thing and are willing to let it happen. They may argue that our economy is out of balance, that we produce too much food, that there are too many farmers and some of them must be eliminated by the cold laws of economics. It may be that they realize the situation but find themselves powerless to do anything effective about it.

But agriculture is of tremendous importance to the Canadian people. It is, I believe, of vital importance not only for economic reasons but for other reasons as well. Some of the most obvious economic reasons, of course, are that we in Canada are one of the best fed nations in the world. This results from the efficiency of Canadian agriculture. If Canadian agriculture is permanently damaged, that will not continue to be the case. We depend on agriculture for many other raw materials besides food. We depend on agriculture for much of our clothing, and in a broader sense we depend on the soil for the raw materials of the pulp and paper industry and many other things. About 50 per cent of the Canadian people are dependent, directly or indirectly, on the products of the soil for their livelihood.

In this connection I should like to quote briefly from a small pamphlet entitled, "At the first table". It is written by Mr. Stewart Page, the agricultural representative for North Simcoe. He says:

> More and more we are learning to look at the land as the major source of real wealth, and to farming as a high art. We are learning that while soil fertility is highly perishable, it is also a renewable resource, and herein lies the art of good farming—How to extract a living from the soil in such a manner as to be able to pass on the farm to the next generation in a more fertile condition than we found it?
>
> What we need most for Canada, and for Simcoe county, is a readjustment of basic values so that the dollar will once more be the servant of man, not its master. Half of the world is hungry and needs our surplus food but we have priced ourselves out of the world market. Over half of our soils are hungry but we have put such a high value on the services of labour, industry and commerce that there is seldom enough left over to feed the soil.
>
> The crux of the whole problem today is that our greatest natural resource, the soil, must subsist as best it can on the scraps left over from the banquets of our highly artificial way of life. This

was the way of all vanished civilizations of the past and we are travelling along the same road but at the speed of jet propulsion.

There is a very good sociological reason, too, why the economy of our rural areas and small towns must be preserved. After all, it still is a fact that the rural areas and the small towns are the wellsprings from which our civilization draws its leaders for the most part. In that connection I should like to quote very briefly from the footnote in a book recently written by Louis Bromfield entitled "From my Experience". This footnote appears on page 53:

> It is not perhaps without significance that the vast majority of the names listed in Who's Who are those of men who came from farms or from small communities in agricultural territory. Even with the immense development of industry and cities, the leadership of the country in all fields seems still to come very largely from rural areas where a sense of responsibility and maturity grows from work and contacts with the soil and with livestock, and where, more often than not, a boy or a girl learns to work and to think for what he gets in this life.

From the point of view of public health it is important, too. The hon. member for Brantford (Mr. Brown) pointed out very forcibly the other day figures which are shocking so far as the physical condition of the average Canadian youth is concerned. I believe I am right in saying that this condition is worse in the large metropolitan areas. As the agricultural industry is starved, more and more people are forced to move into metropolitan areas and more and more people find themselves growing up in the larger cities where life itself is perverted. The justification for the existence of many of these cities no longer exists in this day of rapid transportation, instantaneous communication and the atom bomb.

The hon. member for Hamilton South (Mr. Reinke) pointed out recently one of the symptoms of the unnatural life lived by thousands of people in large cities. He pointed out that conditions were such that children on many streets in some of our cities are no safer than they would be in the jungles of Africa.

The obvious question to ask is, what is the answer? One of the most thorny problems facing all Canadians at the present time, of course, is the question of our wheat surplus, but I do not intend to take up the time of the house on that matter. However, in some other agricultural fields we do not have a surplus, yet the situation is little better.

I come from an area where the chief cash crop is potatoes. At the present time the farmers are asked to operate and to continue to produce one of the most basic foods of our country at a continual loss, and this at a time when Canada has not a net surplus of potatoes. Those producers of potatoes are asked to sell their product on an unprotected market, subject to being flooded with surplus potatoes from the United States with no duty chargeable on them. Those same farmers are asked to buy much of their equipment on the protected markets of the industrial areas of central Canada. We in the maritimes feel that this is not a reasonable or a fair state of affairs, and we hope that action will be taken to rectify it.

Some people will say that it is easy to talk, but what are we to do? If we go to the United States and point out these inequalities in our tariffs as between the two countries, they will say they must not be offended because they will retaliate with some other tariff. I feel very strongly that the United States people are reasonable, and if the situation were fairly explained, not so much to the experts but to the legislators of the United States who are required to make a decision, a reasonable decision could be arrived at.

A few weeks ago another member of this house and I had the privilege, along with a number of members of parliament from various European countries, of being guests of the United States government for some time in that country. While in Washington I found myself seated at dinner next to a very well-known United States representative. He asked me about the state of the economy in the maritime provinces. Among other things I mentioned this matter of the depressed state of the potato industry, which concerns us in many areas there. In passing I mentioned the tariff situation with which we are expected to cope. I said that our growers were not very happy about having to sell their product in the United States over a tariff of 35½ cents a hundredweight while United States potatoes come into their market duty free.

His reaction was, "I could not agree with them more. I think it is an unreasonable state of affairs." If he were a typical United States citizen described by the defenders of the present situation, I would have expected him to say, "It serves them right, because if we do anything for the potato grower, we shall have to do something for the apple grower, too."

We in the maritimes have the growing feeling that the horizons of almost all federal governments are limited to a varying extent. We have the feeling that the horizons of most federal governments are bound on the east by the St. Lawrence valley and on the west by the great lakes. We feel strongly that it is not only the members of the governments themselves who err in this direction, but the whole of parliament. None of

us is as well acquainted with our country as we should be. As a suggestion toward correcting this situation, I would like to see members of parliament given the right to travel free at least twice a year on the air lines of our country so that members whose homes are in the extremities could have the opportunity to visit their constituencies, and those from central Canada could avail themselves of the opportunity to become personally acquainted with the problems that exist in other parts of Canada.

In the maritimes we have the feeling that if a problem of national importance arises, either in our part of the country or in the west, it is just simply beyond the ken of the government. We are not pleased with the lethargy of this government with regard to the problems facing the agricultural industry of this country and the west and the maritimes in general. Apologists for the government will say, "After all, you cannot expect a cure overnight. This is a democracy, and a democracy is like a good wife, very attractive but not fast." That is their excuse for not doing anything about it. I would point out that this is not a legitimate excuse for not doing anything. Action must be taken immediately to correct the situation if irreparable damage is not to be caused.

In the maritimes we have the feeling that the lethargy of the government is proportional, perhaps, to the square, or even the cube, of the distance of the problem away from Ottawa, and we are getting absolutely fed up with this state of affairs. Therefore we have two major problems facing the Canadian people at the present time. On the one hand, generally speaking, we have the depressed state of the agricultural industry, and on the other hand the fact that the maritime provinces, and to a lesser extent the west, continues in a state of chronic depression.

When my ancestors, and the ancestors of all the people of the maritimes, were pushed, either by religious persecution or by economic pressures, from the countries of Europe, they came to what are now the maritime provinces because they looked like a land of promise, and they were a land of promise. They progressed and prospered wondrously well for many years, as a matter of fact, until confederation. For more than 80 years confederation has hung like a killing blight over the economy of the maritimes. That is a tragic thing to have to say; nevertheless it is so. We in the maritimes whose ancestors came to a land of plenty find ourselves forced to migrate again because of economic conditions. Our patience is running out.

[Mr MacLean.]

The patience of the agricultural people of Canada is running out. After all, this government is now starting on its twenty-first year in office, and the problems of the maritimes and of agriculture remain unsolved. The farmers of Canada and the people of the maritimes are dissatisfied with this situation, because they remember that even Rip Van Winkle woke up after 20 years.

Mr. D. F. Brown (Essex West): Mr. Speaker, may I be permitted at the outset of my remarks to pay my respects to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the motion now before the house. I think this is probably one of the finer practices which have grown up over the years concerning this debate. The mover and seconder are placed at a disadvantage in that they are the first to speak in the debate. They are notified in advance, and this year they certainly appear to have done considerable work, from the efforts they have made.

I am not so well acquainted with the seconder of the address, as he has just come to the house; but judging from the way he conducted himself I would say that it augurs well for the people of Canada when we have men of such ability standing for public office. It augurs well for the people of his own constituency and province.

I should like to say something about the mover of the address. She has handled herself with obvious distinction and ability while in this chamber, and I would say has been far above the average in her attendance and conduct of affairs. In particular I should like to refer to her work as a committee member, for it is in committee that the ability of a member is made known. I noted in the committees in which I have been associated with the hon. member that she has been most faithful in attendance and has shown a distinct ability in the conduct of the affairs of the committee. If necessary she can be very forceful.

If I were in authority I would recommend to the Prime Minister that when he is looking for a way in which to express the wishes of the government by giving advancement to hon. members, he would be well advised to look with favour upon the mover of this address, not because she is a woman but because of the ability which she undoubtedly has and which she has manifested in this chamber.

I should like to refer now to a matter which has to do with money. Loans of up to $500 are controlled by the Small Loans Act of 1939. I have no complaint whatsoever with regard to the majority of moneylenders who operate under this act. I am fully aware of the great need for such a service, because obviously

the banking system under which we operate has not met the needs and wishes of a certain cross section of our population. I am aware also of the great good which moneylenders have accomplished, especially during and following world war II when many of our people had need of immediate cash for emergency purposes and to consolidate obligations incurred while in the armed forces or during the course of the war. This money was not available from any other source.

There has sprung up in the business sections of most of our communities numerous loan companies and moneylenders which are doing a most aggressive business in lending money, not solely to meet the necessities of persons but to satisfy the desires and whims of the Canadian people. Our newspapers contain large advertisements urging people to borrow money and using such slogans as "I like to lend money" or "We have the money you need in the amount you want" or "Phone for your loan in one trip". Many other catch phrases are used.

The slogans I have given were taken from the daily newspapers, but our motor buses and street cars blare forth the need to hurry to such and such a loan company to borrow up to $2,400 without any guarantee being required. Billboards impress upon the passing motorist how simple it is to get money without any security. The radio and television impress the listener and viewer with the simplicity of getting money for a trip to Florida or the purchase of a new television set. Many of the companies operating in Canada do so with United States capital, and naturally the profits of their operations go to United States investors.

We seem to have forgotten the fatherly and wise financial advice given by our bankers. It may be that our bankers have expressed too much concern, or shown too much restraint in the manner in which they make advances. We forget also that we have the privilege of banding together in credit unions which are growing in numbers so rapidly throughout this country. Money can be borrowed from a credit union at a rate usually not exceeding 1 per cent, after investigation by the other members of the credit union.

Under the provisions of the Small Loans Act a moneylender may charge 2 per cent per month for a period of 15 months and 1 per cent per month thereafter on loans of not more than $500. On this basis, in the year 1940—that is 15 years ago—the Canadian people borrowed approximately $20 million from loan companies and moneylenders. As I say, these were in amounts not exceeding $500. By January 1, 1954, the amount borrowed by the Canadian people during the preceding year had grown to $175 million. Owing to the power of publicity and advertising, it is estimated that in the calendar year 1955 the Canadian people borrowed approximately $200 million in amounts under $500.

Even with this class of loan, if it were divided among all the Canadian population of 16 million it would mean that each man, woman and child in Canada had borrowed approximately $14. However, this is not exactly the true picture, since it covers only loans up to an amount of $500. I have been told by the manager of a reputable loan company that the average loan today is for an amount far in excess of $500.

I hold in my hand a report from a commercial agency in my constituency showing the chattel mortgages that were filed in the county clerk's office in one week; this happens to be the week of November 30, 1955. This indicates that altogether there were 115 loans of which registration was made, and of those 115 loans there were only 18 under $500. Those over $2,000 numbered 5. As 5 and 18 make 23, you will readily see that 92 of these loans were for amounts between $500 and $2,000, in other words, approximately 90 per cent of the loans made.

I hold in my hand also a further report, for the week of December 14, 1955, which shows a similar situation. In that week there were 141 loans, of which 16 were under $500. Five were over $2,000, leaving 120 between $500 and $2,000. This leaves about the same percentage referred to above. This indicates to me that between the amounts of $500 and $2,000 there is a vast field of borrowing, a great deal of which is without proper departmental control or supervision.

We may reasonably ask why we should concern ourselves with any supervision in this field. After all, this is a free country, and business should not be interfered with by a paternal government. My answer to this would be that, if two and two are four, it is reasonable to assume that 200 and 200 would then be 400. If $500 in 1939 was of value—and it was—to the extent of $500 at that time, all will agree that today it is the equivalent of about $1,000 to $1,500 or in that neighbourhood. Therefore if it was necessary and beneficial to the Canadian people in 1939, it is equally of benefit to us in 1956 to have an increased amount of control over the loans made under this act, especially since the economy has been expanding so rapidly.

From the investigations I have made I find that in connection with loans up to $500 there are very few infractions of the act or of ethics in the operation of the act, but it is between the sums of $500 and $2,000

that there is no control, and I regret to say that in many respects the ethical standards of the moneylenders in many cases leave something to be desired. Let me repeat that I have no quarrel with borrowing for needs such as medical and hospitalization necessities or any other necessities for the home or the family, but I do not believe that we should instil in our people the belief that money can be gained easier by the toss of the pen than by the tug of the plow.

Most of this borrowing is secured by an assignment of wages given by the borrower and directed to the employer, or by obtaining security on the individual's household furniture, motor car or other chattel he might happen to have. When default is made, the more reliable companies interview the borrower to see wherein the difficulty lies, to find out why he has made default and try to help him to correct the practice into which he has fallen. They will try to work out a solution that will be of benefit both to the borrower and to the moneylender. But the more unscrupulous moneylender will seize or threaten to seize the goods and chattels pledged, and some may take garnishee proceedings on the wages, or threaten or cajole the borrower into refinancing the loan, for which an extra charge is made by the moneylender, and often a bonus is extracted.

It is in this particular case where, I believe, the greatest evil results; in the refinancing of these loans when the borrower falls into default. Legal expenses are added, though I have not been able to find out whether they are incurred. Insurance in large amounts is added. I have one example here in which insurance of $177 has been added on a loan of $950.

Over the years the government has done much to lessen the fears which beset our people. Family allowances have reduced the fear of youth; old age security has reduced the fear of old age; blind allowances have reduced the fear of blindness; unemployment insurance has reduced the fear of unemployment. Now I urge that controls be extended to reduce the fear of the loan shark.

Persons borrowing money are living in a state of acute fear, to such an extent that they will not give information with respect to their borrowings for fear of reprisals by the moneylenders.

However, I have in my hand evidence that excessive amounts are being charged on loans in excess of $500. I hold here a copy of an affidavit filed in the supreme court of Ontario in an action instituted by a moneylender. It is his own affidavit and in it he claims 33 per cent interest on the balance of principal which, in the schedule to the affidavit, appears to be $1,270. At the rate of 33 per cent he is claiming some $590 per annum as interest. I will be pleased to turn this information over to the persons in authority when the time arrives.

I have also interviewed a borrower who obtained a loan of $800 and had to repay therefor the sum of $1,200 within a period of two years. This loan has been completely paid off. I have interviewed another borrower who obtained a loan of over $3,600 for which slightly over $4,400 had to be repaid. This loan was also repaid in full within the period of a year, but the rate of interest works out to about 30 per cent per annum.

All these claims for interest may be perfectly legal, but in my opinion they are highly excessive and should be controlled. I am therefore recommending that the provisions of the Small Loans Act be extended to control loans up to $2,000. Loans over $500, as I have pointed out, are where the great evil enters the picture. Up to $500 everything seems to be in order because such loans are quite closely controlled by the department of insurance.

Borrowers of amounts over $500 are often faced with the necessity of paying a bonus to obtain a loan. The borrower is in such a financial position that he wants to raise a sum of money; and for various reasons, usually because of his credit standing, the moneylender will require that he either pay a cash bonus, or he will give him a loan of a stated amount taking therefor a mortgage for a larger amount. Of course, in the first place a person of this type would probably be better off if he was not given a loan, because on the basis of his past record in handling money he is not in a position to handle it in such a way as to come out of the deal profitably.

If the terms of repayment are too onerous and the borrower makes default for one month the unscrupulous moneylender will, after the exercise of pressure, enter into a refinancing arrangement under which the first loan and bonus are absorbed in an arrangement whereby a second bonus is taken, until eventually the property of the borrower is so encumbered that any equity in the chattel or real estate disappears, and then possession is taken over by the moneylender.

This actually came to my attention recently in a case in my own constituency which is also on record in the supreme court of Ontario wherein, from correspondence with the moneylender's solicitor, I find that the borrower approached the finance company for a loan of $2,000, which he obtained. The security given was a mortgage for $2,500 with

interest being charged at 2 per cent per month on the $2,000. In other words the actual money advanced had interest added at 2 per cent per month. The mortgage was to run for a period of six months, when the whole amount was to become due and payable.

At the expiration of the six-month period the borrower was not in a position to pay the balance of the $2,500. So he approached the moneylender and an arrangement was entered into whereby a further bonus of $500 was added to the $2,500 and a rate of interest of 2 per cent per month on the whole $3,000 was inserted in the contract. Therefore the borrower wound up by getting $2,000 cash and giving security for $3,000, with interest at 2 per cent per month on the $3,000.

Eventually default was made on the mortgage and it was foreclosed. The property was lost and, incidentally, the borrower's family were separated, the wife going to one part of the country to find a job and the husband to another part of the country to find employment.

A further unsatisfactory practice which I believe is not prohibited by the act is where a loan is made for a stated amount and an amount equivalent to the first monthly payment is deducted immediately and interest charged on the whole loan. A case has come to my attention recently where the first monthly payment was deducted by the moneylender immediately the loan was given. The loan has not been repaid yet, and it will be interesting to find what adjustment is made by the moneylender when the loan is repaid in full.

All such practices, which I am sure can be repeated and magnified many times by many members of the house, tend to stain the reputation of the legitimate and reputable loan companies and moneylenders who are trying to do a good job by maintaining high ethical standards and by retaining a reputation for fair dealing in the performance of a worthwhile service. I therefore suggest to the government that an examination be made into the whole practice of personal loans up to $5,000 to see what can be done to protect the citizens of our country, and to remove some of the unsatisfactory practices which now appear to be in vogue.

Here again I realize the difficulty in getting evidence of such malpractice because of the fear of people in coming forward to give evidence. First of all, they do not want other people to know about their financial dealings, their banking practices and their personal affairs. Second, they are afraid that if they do come forward to give evidence the loans which they at that time have will be jeopardized and they will suffer considerable loss.

I have received a number of anonymous letters telling of sordid cases, some in Montreal, others in Hull, Toronto and elsewhere, none of which letters can be used because they are anonymous. But I am sure these matters are within the knowledge of the industry itself, and I am glad to see that the Canadian consumer loan association is most anxious that any unsavoury practice be stamped out. As a matter of fact I have a letter from the president of the association, which states in part:

> The Canadian consumer loan association wholeheartedly supports your view that legislation should be drawn so as to protect the welfare of these borrowers. We congratulate you on your industry and enterprise on speaking out on behalf of the people in the Windsor area.

As to the amount of interest being charged —and this matter is the subject of legislation which is now before this house—a study should be made to see what is an equitable rate. Having in mind the fact that few loans today are for $500 or less, and having in mind the large amount of work that is involved in the processing of a small loan, it may be that 2 per cent per month, which is the present rate, is not excessive. I am sure that the loan companies would have no objection to a considerably lower rate of interest on amounts in excess of $500. As a matter of fact I have discussed this matter with the head of a loan company. I have his letter which indicates that they would be quite pleased to have a lower rate of interest on amounts in excess of $500 up to, say, $1,500 or $2,000.

However, the people at large are not without fault. From a study of the report of the superintendent of insurance we find that those who apply for those loans are usually repeaters. They are persons who are continually in the hands of some loan company. They do not seem to be able to keep ahead with respect to their own financial dealings. They seem to need some paternal care. I think that is a further reason why we should see that the provisions of this act are extended. It seems to me that the average individual who takes out a loan from a moneylender is interested not so much in the amount of interest he is being charged or the other charges that are being added to his loan but rather is interested in how much a month he will be obliged to pay. The matter that interests him is, how much do I have to pay to get this loan? If he figures that he can pay that amount of money each month, he is quite satisfied.

If we are going to protect the general body of the public in Canada from the financial slavery of which we hear, I strongly recommend to the government that first of

all the provisions of the Small Loans Act be extended to $2,000, so that in that act coverage will be given to an amount of $2,000; and further that there be an investigation—either departmental, by royal commission or otherwise, as the government may see fit—into the operation of all these personal loans up to an amount of $5,000.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, in congratulating the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne, and in welcoming the new members to this house, I should like to mention particularly the new hon. member from New Brunswick who is with us. To put the matter statistically, as the hon. member for Queens (Mr. MacLean) would, we have increased the Conservative representation from New Brunswick by one-third. If in the future we are able to get one-third as much for New Brunswick as we have been able to get in the past two years, we shall really be able to take our place in the economic sun.

During the by-election campaign it was my pleasure to spend a brief time in the constituency of Restigouche-Madawaska. While I should not like to hold myself out as an authority on all matters in that constituency, I think there is a lesson to be learned by those senators, cabinet members and M.P.'s who came in from outside our province to take part in that campaign. I derived a great deal of personal satisfaction out of the result because I knew that the people up in the northern part of our province, by voting in the present hon. member, had completely rejected the election ideas those outsiders had when they came into New Brunswick. It certainly gave me a great deal of satisfaction to know that our French-speaking citizens and other people in New Brunswick were willing to make their own decision. As hospitable as we may be at other times, at election times we insist that certain conduct foreign to us be left at home.

Long before this session began, Mr. Speaker, it was obvious that economic conditions were looming large as points of discussion. It is in Canada the day of new heights of resource and capital investment. It is the day of prosperous economic conditions. It is in Canada the day of shattering gross national products. It is also the day of great national projects. I should like particular notice to be taken of that last reference, because it is my main theme in these few remarks.

Having said that we are in a period of great economic development in Canada, the question that immediately comes to mind is this. How are we in New Brunswick sharing in that development? I cannot do better than to quote from a review that was made by two professors at the University of New Brunswick. I refer to professors Smith and Whalen, both personal friends of mine. They are brilliant young men who undoubtedly could have proceeded west or elsewhere and done exceptionally well, as have a great many other maritimers. However, they have chosen to stay with us and help us during these crucial times. May I quote the first part of a review they did recently with respect to our economic development:

> New Brunswick entered confederation in 1867 with a highly mature and prosperous economic system. The provincial economy was then based almost entirely on forest and sea, and these basic occupations sustained small agricultural, manufacturing, handicraft, and service industries. The techniques of wood, wind and water (that is, lumbering, shipbuilding and the carrying trade) were favourably developed during the first half of the nineteenth century in a province girt by the sea with a climate highly conducive to the growing of trees.
>
> After 1880, however, the rate of economic growth in New Brunswick began to lag far behind that of the Canadian economy as a whole. This was due to a number of factors, including the development of the steamship, the construction of a national transcontinental rail system, the growth of protectionism, certain technological changes especially in manufacturing, and the opening of the Panama canal.

To put the matter in my own words, as applied to present-day circumstances, Mr. Speaker, I would say this. Personal income is perhaps the best indicator of our situation. To express it as a percentage of the Canadian personal per capita income, we know that our figure declined from 72·4 per cent in 1946 to 61·8 per cent in 1953. That is an alarming situation. In 1954, the latest year for which figures are available, we only reached the per capita personal income that the rest of Canada had attained in 1946.

It was natural, therefore, Mr. Speaker, that when the speech from the throne unfolded we should look for some definite word about a particular economic development that might help us in New Brunswick. We heard about pipe lines; we heard about wheat, but I am afraid there was no direct reference to anything that would materially assist us in this economic picture today. On January 12, at page 49 of *Hansard* the Prime Minister gave us some sort of an explanation for this omission from the speech from the throne. I quote his words:

> I said we felt that parliament should not provide for sharing in the cost of provincial projects except in special circumstances and as a part of a policy which we could justify on national grounds.

Please notice those words, "national grounds", again, Mr. Speaker, because they

continue my theme. The situation in New Brunswick today is good so far as future possibilities are concerned. We have been fortunate in discovering new minerals in that province, and with the development of those we hope that the future will be much brighter. However, a snag has cropped up in our plans. We find that in order to locate smelters to refine the minerals in that province we must provide cheap electric power. We have potential power there, as everyone is aware, but we are not able to finance it properly. We do not have such resources in the provincial treasury, and it has been necessary to make appeals to the federal government for some sort of interest free or low interest loan. So far the federal government has not seen fit to assist us in this way. They have said it is a provincial matter and that they cannot possibly help us because it is not a national project. Please notice that reference again, Mr. Speaker; they said it was not a national project.

I ask very seriously here today, what is the difference between a pipe line out west which cannot possibly benefit us in the maritimes in any way, and one of our own local development projects such as the Beechwood project I have mentioned? On September 13, 1955, it was announced that a joint agreement between the federal government and the government of Ontario had been reached with respect to a plan of financing to assist the new Alberta pipe line. The principle is there, Mr. Speaker. There is direct assistance given by the federal and provincial governments. As I have said, we cannot see what difference there is between our own project and a project such as a pipe line.

Second, I would mention the seaway. We were very wary of the seaway. We were annoyed at the lack of consideration that was given to the future of maritime ports when the seaway was being talked about originally. We are growing more suspicious every day. During the past summer there were one or two items that came to light that bear out the fact our fears were not completely groundless. On November 10, 1955, Mr. Chevrier, in an address in Boston said this about the seaway:

> A great increase in the flow of traffic between the St. Lawrence seaway area and the New England states was forecast here last night by Lionel Chevrier, president of the Canadian seaway authority.
>
> He told members of the New England railroad club that this would result from expansion of industry and population in the seaway area which "would be of advantage to both areas and the transportation lines that connect them."
>
> "Rapid economic growth in both the United States and Canada is diminishing potential dislocating effects on existing transportation," Mr. Chevrier declared. "Industrial areas exchange traffic readily with other industrial areas and where the distances are not great the volume may become very large."
>
> It was for this reason—with industrial expansion due to the seaway in mind—that he predicted a significant increase in what is now a relatively light flow of traffic between New England and central Canada.

Where do the maritimes fit into that prediction by Mr. Chevrier? Then we had a further cause for alarm with respect to the seaway when a strike occurred in Saint John. One of our large employers of labour, the sugar refinery was in a state of expansion, and as the result of a disagreement with the union it was found necessary to cease work. Negotiations were halted by both parties. Finally the matter was settled on December 8, and a significant statement was made by the management. It is worth noting that the management control of this organization is in central Canada. This is what they said:

> Referring to union demands for a shorter work week, the statement said that throughout negotiations the company conceded that a 48-hour work week had become outmoded. It had "frankly and clearly put its cards on the negotiating table with respect to major location disadvantages which have been highlighted in an economic survey just completed, the major impact of which will be felt with the opening of the St. Lawrence seaway."

This is the great national project that is going to help all of Canada. No, Mr. Speaker, we find it very difficult to see why it is that wheat can become a great national project; the South Saskatchewan dam can become a national project, yet one of our projects such as Beechwood, the development of a merchant navy or maritime coal, cannot be. The latter would seem to result in benefits to us all.

I suggest we have serious problems to overcome in the maritimes in our efforts to sell these ideas of ours. First we must sell the Canadian people the fact that we have a small diversified economy because of our location, our geography and the fact that we have no one particularly large industry. We will, therefore, always be in this category. We have no large rivers; we have nothing that fits into the Canadian economy which could possibly give us an opportunity of saying that it would benefit all the provinces. It must be appreciated from the beginning that we are small, and consideration must be given.

I feel that perhaps the more difficult problem that has to be overcome is what has been described as the Ottawa mentality. I refer to the politicians in Ottawa who refuse to look any farther than the Rideau canal.

They refuse to look down to the sea and realize that we do have an important part to play in the development of Canada. It has been said that we are a nation of landlubbers. That is true, Mr. Speaker. Instead of being a great maritime nation, we are controlled from central Canada. It really amuses me to hear people in this part of the country talk about these great national projects, and in the same breath refer to Sir John A. Macdonald's great national policies. He would have shuddered to think of some of the narrow-minded projects that seem to be considered national policies today.

We must revise our thinking with respect to these words that are bandied about so much today, namely "national projects". With respect to these enterprises, everybody in Canada must take a look at them and think once again about what we mean when we say "national projects". The government is entirely to blame for hiding behind these words in the way they have been doing of late. Perhaps we are all to blame for not thinking correctly about them but I think we could go further and say that the government is taking unfair advantage of the use of those words.

A dominion-provincial conference was held last year. We arrived here with what we thought was a new approach to the matter. We had our own formula and proposals to make. In fact, I believe it was recognized on the floor of the conference that our proposals were most ingenious. We had a formula worked out which suggested that our per capita income should reach 85 per cent of the average per capita income of the dominion. We were not asking for 100 per cent, only 85 per cent. That meant that we were asking that the people in our part of the country should have a standard of living 85 per cent as good as the Canadian average. What happened? After some encouragement we now have some indication of what is to be given to the provinces?

In this connection I can only quote an editorial that appeared in the *Globe and Mail* of January 13 with respect to announcements that were made regarding the new tax agreement. I should also like to say, Mr. Speaker, that the *Globe and Mail* deserves a great deal of credit for the enlightened approach it is taking to the ills of the maritime provinces. It is very gratifying to all of us to see the tremendous interest the *Globe and Mail* is taking in the situation down there. All summer long there were very good articles on our conditions, and they are well aware of our problems.

[Mr. Bell.]

In the final paragraph of the editorial the *Globe and Mail* sums up our arguments in much better language than I could use today. I quote:

> Where fiscal need is fully apparent, as in the maritimes, the new formula is as inadequate as the old. If Ontario's contributions to British Columbia, Alberta and Quebec were lumped together and distributed to the maritime provinces, the national interest would be better served. And Ontario would be glad to make that contribution to the advancement of confederation's objectives.

Perhaps this is a new approach to this whole problem of ours. I have tried to point out the fears that are gripping our thinking with the ill-advised and ill-timed use of these words "national projects". I can only say in closing that it was a professor from the maritimes who is now out west, Professor Norman MacKenzie, who said that the provinces' economic welfare depends on Canada's prosperity. I ask, Mr. Speaker, how can Canada be prosperous when we have such a festering sore down east?

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, I would first of all like to join with the hon. members who have spoken in this debate in congratulating the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I would also like at the beginning to bring greetings from my home city of Edmonton, still the fastest growing city in Canada, we believe, and now popularly known as the home of the Grey cup.

On behalf of the people of Edmonton-Strathcona I would like to say how happy we were to have seen so many federal cabinet ministers out west during the past year. It is hoped that the members of the cabinet who did not get out west in 1955 will somehow or other find it possible to visit Alberta during the present year. Indeed, I hope that all eastern members of parliament, especially those who have not yet seen the west, will find some opportunity this year to pay us a visit. It seems likely that we may have another Grey cup match out west this year; and if we do, the city of Edmonton is looking forward to another very happy occasion at that time, and we think it would be appropriate for as many members of parliament from the east as possible to visit us on that occasion.

In this connection, Mr. Speaker, I should like to say that all Alberta rejoiced when the Prime Minister found it possible to come out to Alberta early in September to participate in the celebration of our golden jubilee. His visit on that occasion was reminiscent of the visit of Sir Wilfrid Laurier at the time of the inauguration of the province of Alberta 50 years ago. On behalf of the people whom I have the honour to represent I should like

again to express my thanks to the Prime Minister for taking time off to visit us on that occasion, in spite of the very arduous responsibilities which he carries at all times here in Ottawa.

I should also like to compliment the government on the fact that the speech from the throne gives every indication that our country will continue to enjoy prosperity during the next 12 months. While there may be some soft spots in our economy, such as the wheat surplus that we have heard so much about in the last week, I am confident that the government will do whatever needs to be done to bring those soft spots into line with the general high level of our national prosperity. I should like to commend the government on the steps it has already proposed. They will be a big help to our farmers out west, who are hard pressed for ready cash. However, further steps may be necessary, and if they are I am sure our government will not be found lacking.

I have already placed a resolution on the order paper concerning the wheat surplus, and I shall refrain from making any further reference to it at the present time. However, there are some matters that I should like to draw to the attention of the government.

In recent months we have had considerable publicity in northern Alberta on the subject of our northern Alberta Indians. This publicity has quite rightly caused a good deal of concern amongst those who feel very keenly for this particular ethnic group who make up part of our population. Personally I am convinced that there is a good deal of hardship, if not actual distress, amongst our northern Alberta Indians. This opinion is based upon reports I have received from what I consider to be very reliable sources.

I would like to state here and now that I very definitely do not consider myself to be an authority on Indian affairs. I doubt, in fact, that we have very many authorities on Indian affairs in this parliament at the present time. However, the Indians are our problem, and we must do our best to deal with it as adequately as we can. I believe it is one of the most difficult problems we face in Canada today.

I am sure there is not one of us who would not like to see our Indian population taking their full and rightful place in our national, social and economic life, with full citizenship status. I believe that is the goal we have for our Indian population, or at least I hope it is.

But we must be realistic. I think we must face the fact that many Indians are not yet ready, and probably will not be ready for some time, to become fully integrated with the rest of our population. I think it can be said that our Indians are free to move about in our society if they so desire, but unfortunately most of them have chosen a sort of self-imposed isolation. The reason for this unfortunate situation appears to be a combination of lack of education, lack of trade skills, language and other cultural barriers.

I believe another motive behind this self-imposed isolation is their natural desire for self-preservation, the idea that if they forsake their reserves they are in danger of losing everything. I believe that somehow or other we have to persuade them that they should find a better way of life, and we should try to have them leave the reservations and find employment in the general population.

There are those who go so far as to say that some Indians are gradually losing ground as the other elements of our Canadian civilization advances steadily. I do not consider myself a judge of this situation, but if there is any truth in it, it is certainly deplorable. But of one thing we are certain, and that is that there need not be any real distress amongst our Indian population. If there is such distress, and it has been reported among northern Alberta Indians, then immediate and effective relief is most essential. Better rations and better clothing for those in need must certainly come before such long-term remedies as better education. But mere relief is not the answer to the problem, and relief must not be made more attractive than work.

Some Indian bands in Alberta and probably in other parts of Canada are well-off financially through oil leases and the like. However, it appears they are still not getting very much nearer to the goal of full and complete citizenship. Therein lies the core of the problem. I am afraid I must admit that I am an environmentalist in this respect. If we do not do something really effective to change the Indians' environment we will continue to have Canadian Indians rather than just plain Canadians.

We should, I believe, give more encouragement than we do to those who are ready to leave the reservations and make their livelihood amongst the general population. We must take measures to combat this self-imposed segregation which perpetuates the problem.

It may very well be asked, "What do you propose to do about it?" Briefly I propose that our short-range and long-term programs should be more effective, and they must be speeded up. Our progress in bringing up the Indian has been so slow that I am convinced we have not sufficient supervisors and other workers in the field.

I would like at this time to pay unstinting tribute to those Indian agents, teachers, doctors, nurses and missionaries who have worked so hard, and are working so hard, at this most difficult problem. But I am convinced, Mr. Speaker, that the job is virtually overwhelming those workers who are in the field. I am convinced that our present rate of progress is so slow that in northern Alberta, at least, we are not getting anywhere.

I believe we must be prepared to vote more money to help solve our Indian problem. This is needed to place more workers in the field, and to speed up our education program. The immediate cause of hardship amongst the northern Indians appears to be the depletion of game, due to the advance of white settlement. This has deprived the Indians of their traditional livelihood and reduced them to a marginal existence dependent on relief.

I see it is approaching six o'clock, but perhaps I may be permitted to complete this subject.

Mr. Deputy Speaker: Has the hon. member unanimous consent to continue?

Some hon. Members: Go on.

Mr. Hanna: We must as quickly as possible convince them that they ought to find alternative ways of making a living. Surely it is possible to demonstrate to them that they would enjoy a much better life in work other than hunting, fishing, and trapping. At the moment they appear not to have the necessary skills. We must therefore adopt the quickest way possible to train them in agriculture, lumbering, mining and construction work. There is no question about the need for farm labour and workers in the lumbering industry, but we have not so far persuaded very many Indians that these occupations would offer them a better way of life.

Nearly 150 years ago Thomas Jefferson said of the Indian problem:

> Encourage them to abandon hunting, to apply themselves to the raising of stock, to agriculture, and to domestic manufacture, and thereby prove to themselves that less land and labour will maintain them; and bring within their reach more and more of the things which would help them make the transition.

In that connection I should like to make two comments. First, I agree with it; second, in a century and a half nobody seems to have done very much about it. Much has been said in the chamber in praise of the Colombo plan, and quite rightly so, but what we need is a little Colombo plan for our Indian population. If it works in southeast Asia it should work at home. We have to speed up the program of helping them to help themselves, rather than merely giving them relief. Direct relief, surely, where it is needed; but it ought not to be needed in times like these.

Having said all this, I should like to compliment the Minister of Citizenship and Immigration (Mr. Pickersgill) upon the measures he has taken already to solve the Indian problem. There is no doubt that much good work is being done by many devoted workers. Under the present and former ministers the work of Indian education is being speeded up and many new schools have been opened. The other day I was reading in the Edmonton *Journal* about an excellent experiment which is being conducted in the town of Jasper Place on the outskirts of Edmonton. Here 60 Indian children are being brought in daily by school bus to attend the town schools with other Canadian children. Everyone connected with this plan deserves the highest praise, for I am sure this sort of thing will pay dividends. All these young Canadians will surely benefit by growing up together.

I should like also to compliment the minister upon the measures he has taken to have Indian children attend technical schools in Alberta. He has also made arrangements to co-operate with the Alberta department of agriculture so that agricultural short courses will be given on Alberta reservations. I hope that measures such as this will be rapidly expanded to embrace as many as possible of our Indian population.

The minister has indicated that he intends to go out west at the first opportunity and study the problems of our northern Indians at first hand. I hope he will find it possible to do this, as I would like him to see for himself what needs to be done.

On motion of Mr. Hanna the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, so far as I can see, we shall continue with this debate on Monday, Tuesday and Wednesday, if it is necessary to continue that long.

It being two minutes after six 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:

TAXATION DIVISION OFFICIALS

Question No. 23—**Mr. Gagnon:**

1. What are the names of the senior officials of the taxation division (a) at the head office of the Department of National Revenue; (b) at the Ottawa district office?
2. What are their salaries?

Answer by: **Mr. McCann:**

1. (a)

	Question
Deputy minister, Mr. J. G. McEntyre	$15,500
Asst. deputy minister, Mr. D. H. Sheppard	13,500
Director, Assessments branch, Mr. H. Milburn	12,000
Director, Administrative services branch, Mr. M. W. McA'Nulty	10,000
Director, Legal branch, Mr. A. A. McGrory	12,000
Director, Inspection services, Mr. S. F. Hobart	10,000
Director, Planning and development, Mr. H. F. Herbert	9,000
(b)	
Director, Mr. G. W. Northfield	9,500
Chief assessor, Mr. W. O. Wadge	7,900
Supervisor of administration, Mr. T. W. Thompson	6,800

2. Answered by No. 1.

HOUSE OF COMMONS

Monday, January 23, 1956

The house met at eleven o'clock.

PRIVILEGE

MR. ST. LAURENT—CLARIFICATION OF STATEMENT ON REPORTED EXPORT OF MILITARY EQUIPMENT

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I should like as a matter of privilege to explain at once to the house that, in reviewing the *Hansard* report of the answer I gave on Friday to a question by the Leader of the Opposition (Mr. Drew) with regard to the shipments of arms or equipment from Canada, I found my words were not as precise as they should have been.

I said that "at the present time we are as much concerned about the situation in the Middle East as is any hon. member of the house, and that there will be no shipments pending the debate on the matter in the House of Commons." The whole discussion had arisen, in fact, out of the concern about the situation in the Middle East, and I intended my words about shipments to refer to that area which I had just mentioned, and I believe everyone understood that they did refer to that area.

However, when I saw the transcript, it seemed to me the words about shipments might be misunderstood and perhaps taken to mean there would be no shipments to any country, including our North Atlantic allies, and I therefore inserted after the word "shipments" the words "for that area", and I wanted to take this first opportunity to explain to the house that I had done so to remove any possibility of misinterpretation of the statement elsewhere or even here in parliament.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should think all hon. members of the house would welcome the insertion of those words, because I do not think there was any thought in anyone's mind that the shipment of arms as part of our general NATO arrangements should in any way be interfered with. The concern that had been expressed related to shipment to an area where there has been a great deal of disturbance. May I say also that the concern has related particularly to the uncertainty of the ministers as to what the facts are.

Mr. Speaker: Just for the sake of orderly procedure, may I be permitted to point out that a question of privilege is not debatable.

TRANS-CANADA HIGHWAY ACT

TABLING OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1955

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): Mr. Speaker, I beg leave to lay on the table two copies of the report of proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1955.

Mr. Speaker: May I point out to the parliamentary assistant to the Minister of Public Works that, according to our new procedure, all he has to do with respect to these documents is to send them to the Clerk at the table.

INDUSTRIAL DEVELOPMENT BANK ACT

AMENDMENTS TO ENLARGE CLASSES OF LOANS, ETC.

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

That it is expedient to introduce a measure to amend the Industrial Development Bank Act to enlarge the classes of loans that may be made under the act; to raise the limit on the aggregate amount of loans exceeding two hundred thousand dollars from fifty million dollars to seventy-five million dollars; and to make certain changes in connection with the administration of the act.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION ACT

AMENDMENT TO EXTEND APPLICATION, MAKE CHANGES IN ADMINISTRATION, ETC.

Right Hon. L. S. St. Laurent (for the Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, 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 to extend the application of the act, and to provide further for certain changes in consequence thereof and also in connection with the administration of the act.

Motion agreed to.

Inquiries of the Ministry

NATIONAL CAPITAL PLAN

APPOINTMENT OF COMMITTEE TO REVIEW PROGRESS OF FEDERAL DISTRICT COMMISSION

On the order:

Government notices of motions—the Prime Minister: The following proposed motion:

That a joint committee of both houses of parliament be appointed to review and report upon the progress and programs of the federal district commission in developing and implementing the plan for the national capital;

That the members to act on behalf of the House of Commons as members of the said committee be designated at a later date;

That the said committee have power to call for persons, papers and records; to sit while the house is sitting, and to report from time to time;

That the said committee have power to print such papers and evidence from day to day as may be ordered by the committee and that Standing Order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand that under the new rules this motion must be made a government order.

Mr. Speaker: Government order.

LABOUR CONDITIONS

WINNIPEG—REPORTED LAY-OFFS AT BRISTOL AIRCRAFT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Defence Production. Is the minister aware of the fact that a number of employees of Bristol aircraft at Winnipeg have been given notice of termination of employment, and that the notice indicates that there will be further lay-offs owing to a cut-back in government orders? Is there not something the government can do to alleviate this situation?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, Bristol Aircraft Company of Canada is a private corporation. It does work for the government, for T.C.A. and for a number of private contractors. Employment there is a matter for the management. There has been no cut-back in government orders. Work that would ordinarily go to Bristol Aircraft goes to Bristol Aircraft. It would be much more to the point to talk about employment as the result of complaints about Harvard aircraft. But I know of no unemployment resulting directly from any government action at Winnipeg.

[Mr. St. Laurent (Quebec East).]

EXTERNAL AFFAIRS

PROCEDURE FOLLOWED IN ISSUING PERMITS FOR EXPORT OF MILITARY EQUIPMENT

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): On Friday last, as reported at page 346 of *Hansard*, the Prime Minister stated that he hoped on Monday to be able to give a full statement with regard to the question of whether any permits had been issued in connection with the export of gun parts or any other military equipment.

Right Hon. L. S. St. Laurent (Prime Minister): Yes, Mr. Speaker. Over the week end that matter has been carefully gone into. The reports we have had are being closely checked in the Department of Defence Production, the Department of Trade and Commerce, the Department of National Defence, and the Department of External Affairs. My understanding is that the Secretary of State for External Affairs (Mr. Pearson) has most of the information required, and that it is being gone over again so that it may be absolutely correct. I understand that he expects to be able to give a statement tomorrow.

STATEMENT ON ARMAMENT OF HARVARD AIRCRAFT DELIVERED TO EGYPT

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): On Thursday last, Mr. Speaker, the Leader of the Opposition asked me a supplementary question following a question which he had asked of my colleague the Secretary of State for External Affairs with respect to the ability of the Harvard trainer to carry weapons. His supplementary question to me was:

—have any steps been taken to ensure that military weapons are not provided for the Harvard trainers being shipped to Egypt?

May I say at the outset that the Harvards in question were never the property of nor were they at any time ever used by the Royal Canadian Air Force. They were, I am informed, assembled and built from spare parts by the Canadian Car and Foundry Company Limited for Egypt as training aircraft and are similar to the Harvards now being used by our own air force for the first stage of pilot training. The Harvards built for Egypt are not, I am further informed, equipped with any armament whatever nor was structural provision made in their construction to enable them to be so equipped. To give them any armament capability would require extensive factory rework which would take at least two months.

No items of aircraft armament have been made available by the Royal Canadian Air Force for use in the Harvards built for Egypt, nor has any request for the same been received by the Royal Canadian Air Force. Any such request, if received, would be subject to close scrutiny by government agencies concerned, following the procedure laid down and which I understand will be dealt with in detail by my colleague, the Secretary of State for External Affairs, in the statement which he will make tomorrow.

Hon. George A. Drew (Leader of the Opposition): Does the minister suggest that the fact that the Harvard trainers were not the property of the R.C.A.F. means there was any change in the construction of those Harvard aircraft so they would be any different from those ordinarily used by the R.C.A.F.?

Mr. Campney: I do not understand the purport of the hon. member's question. The ordinary purpose of the Harvard trainer is for primary training and not for combat. I understand that those built for Egypt were constructed in the same way and to the same specifications as our primary trainer.

Mr. Drew: Perhaps the minister would inform us as to what the significance of the statement was that these were not the property of the R.C.A.F., because there must have been some purpose in making it.

Mr. Campney: The purpose was that the hon. member addressed a question to me as Minister of National Defence and asked me whether we had provided weapons for the Harvard trainer.

Mr. Drew: No, Mr. Speaker. I wish to make the record quite clear. The question was directed because of a photograph of Harvard trainers that had been supplied by the R.C.A.F., and I asked the question whether there was any difference between the Harvard trainers supplied to the R.C.A.F. and the Harvard trainers supplied to Egypt in those circumstances. I think the question has some importance and can be answered by the minister if he will listen with both ears.

FISHERIES

REPORTED TRANSFER OF BIOLOGICAL STATION IN MARITIME PROVINCES

On the orders of the day:

Hon. James Sinclair (Minister of Fisheries): Last week, Mr. Speaker, the hon. member for Royal asked if it is the intention of the government to move the fisheries research station from St. Andrews, N.B., to Halifax, N.S.

The answer is no. Since 1944 this station has grown from a staff of 10 full-time and 7 seasonal employees to 96 full-time and 29 seasonal employees. St. Andrews is the ideal location for the biological station serving the maritime provinces, since it is situated in the heart of most of the fisheries.

One or two maritime fisheries however are not centred around St. Andrews and so for some years we have stationed employees at Ellerslie, P.E.I., and Shippigan, N.B., for oyster studies, and at Chatham, N.B., for smelt studies.

The fisheries research board has now recommended establishing two other small detachments at Halifax to be closer to their work.

The international commission for the northwest Atlantic fisheries has established its headquarters at Dalhousie University, Halifax. Halifax is also the centre of our deep-sea trawler fleet and so it is felt that the section studying groundfish should be stationed there to carry out our share of research work for the commission.

The Royal Canadian Navy and the Department of Fisheries have a joint program of oceanographic studies. Since the navy provides personnel and vessels from their Halifax base, the work will be better carried out if the fisheries scientists are stationed at Halifax.

The total personnel affected is about 20. The move will be carried out gradually over the next two years to avoid inconvenience to the employees affected. The move will also relieve the present overcrowding at St. Andrews station.

POST OFFICE DEPARTMENT

THEFT AT VERDUN—INQUIRY AS TO AMOUNT STOLEN

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Could the Postmaster General inform the house as to how much was stolen last Thursday night from the temporary postal station in Verdun?

Hon. Hugues Lapointe (Postmaster General): I do not have the exact figure here, but I would be very glad to get it for the hon. member.

ARTHRITIS

REQUEST FOR REMOVAL OF DUTY AND SALES TAX ON META CORTIN

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question

to the Minister of National Health and Welfare (Mr. Martin). In his absence, perhaps the question can be answered by the Minister of National Revenue. Is the minister aware of the new, so-called miracle drug meta cortin, which is reported to be effective in the treatment of arthritis? Does he know that the price of this drug in Winnipeg is $40 per 100 tablets, while the corresponding price in Minneapolis is $25 per 100 tablets? I am informed that this drug carries a customs duty of 20 per cent, plus 10 per cent sales tax. Will the minister consider making representations to his colleagues to have the customs duty and sales tax removed so this drug may become available to sufferers from arthritis?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, in the absence of the Minister of National Health and Welfare, I may say that I am acquainted with the drug. Whether it is a miracle drug or not I do not know and I do not think anybody else knows. I do not know what the price of it is because I neither use it nor prescribe it. However, I shall bring the matter to the attention of the Minister of National Health and Welfare, and the matter of the duty and the sales tax on it will be given consideration, if it is up to the standard that my hon. friend claims for it.

GRAIN

WHEAT—REQUEST FOR CLOSING OUT OF 1954-55 POOL ACCOUNT

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will the minister consider closing out the 1954-55 wheat pool account so that prairie producers may receive a larger payment at an early date rather than a smaller interim payment?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I stated on a previous occasion in reply to a question by the same hon. member that no consideration could be given to the subject until Bill No. 2 on the order paper is approved by parliament or otherwise. That is still the situation. It will be the situation and I hope the question will not be asked again until that bill is disposed of.

Mr. Argue: Is the minister not aware of the fact that Bill No. 2 is a bill standing in my name, and the bill he refers to is actually a resolution?

Mr. Howe (Port Arthur): Quite right.

[Mr. Trainor.]

NATIONAL DEFENCE

MINTO ARMOURIES—INQUIRY AS TO CAUSE OF FIRE AND EXTENT OF DAMAGE

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I should like to direct a question to the Minister of National Defence. Can the minister inform the house concerning the fire at Minto armouries in Winnipeg and the extent of the damage?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, in answer to the question, I cannot inform the house with respect to the cause of the fire, and I can give only an approximate figure as to the estimated damage. I might say it is estimated that the loss will probably reach half a million dollars. In order to determine the cause, a board of officers under Colonel Houghton, commandant of Camp Shilo, is being convened today to conduct an inquiry. The service fire marshal is also leaving Ottawa today to assist in finding out the cause of this unfortunate fire which, I am sorry to say, took the life of one civilian fireman and raged throughout all of yesterday at Minto armouries.

RESERVE ARMY—REPORTED REDUCTION IN TRAINING DAYS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to ask the Minister of National Defence if he is now in a position to answer the question which I asked him on Wednesday last concerning the number of days which reserve army personnel can be paid for training?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker. It has been found necessary to contact the various commands and check with them. I do not have the full return as yet.

INQUIRY AS TO EXCESS SUPPLY OF 25-POUNDER SHELLS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Is the Minister of National Defence able to give me an answer to the question I asked on Friday regarding the number of 25-pounder shells surplus to requirements in Canada?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker. I am informed that it has never been the practice to give the number of rounds of ammunition of any type or the number of pieces of battle equipment. I think that has been traditionally true for many years and I believe my hon. friend will appreciate the reasons.

PIPE LINES

TRANS-CANADA PIPE LINES LIMITED—INQUIRY AS TO APPOINTMENT OF SPECIAL COMMITTEE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, on January 13 I directed a question to the Prime Minister as to whether a decision has yet been reached to my suggestion that a select committee of the house be set up to inquire into Trans-Canada Pipe Lines Limited, which had been mentioned in the speech from the throne. At that time the Prime Minister replied:

> No, Mr. Speaker, there has been no decision reached to recommend to the house the establishment of a select committee to deal with that matter.

May I ask, Mr. Speaker, if a decision has yet been made? I would hope that the answer would be in the affirmative.

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker; no decision has been made to recommend the establishment of such a select committee.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 20, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Hahn.

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, one of the most welcome proposals in the speech from the throne is the plan to speed up the completion of the trans-Canada highway. The Canadian public has become very impatient in the last few years with the seemingly endless delays in getting our first trans-Canada highway completed from coast to coast. It has been said very often that we seem to have lost the art of spanning our continent in spite of our tremendous advances in recent years in technological knowledge. About half a century ago, with far less population and with far less material resources than we have today, we had built two or three transcontinental railways. However, under this new proposal it is hoped that the trans-Canada highway can be completed finally on the new schedule.

I think, Mr. Speaker, that some people have been dragging their feet on this trans-Canada highway scheme. Otherwise it would have been completed long ago. What we need, I believe, is a national highway program similar to the program which exists in the United States. I think we should already be planning for trans-Canada highway No. 2 and hon. members will not be surprised, I am sure, if I suggest it should go through the centre of the prairie provinces by way of Edmonton and the Yellowhead pass and on to the Pacific coast.

I also think we need more highways into northern Canada to speed up development there. Already a start has been made by building the Mackenzie highway through northern Alberta into the Northwest Territories, but I believe additional roads are needed in the Northwest Territories to speed up and encourage development in that part of the country. I am also convinced, Mr. Speaker, that we badly need a new railway line to tap the great resources of the Northwest Territories. It seems to me that such a railway should be made a continuation of the railway lines that exist already in northern Alberta for those railways extend further north than do any other railways in that part of the country at the present time.

More specifically, I believe that Canadian National Railways should extend its line northward from Waterways, Alberta, to Pine Point on Great Slave lake. I hope that the government will consider some form of financial assistance to encourage such extension being made, similar to the financial assistance granted to the Pacific Great Eastern Railway in British Columbia.

I have suggested the extension of both highways and railways into the north. These facilities would not necessarily be in competition one with the other. I believe that both are needed and that the one would complement the other.

I am sure that all hon. members of this house were gratified to hear the Minister of National Health and Welfare (Mr. Martin) say a few days ago that the representations of the Canadian National Institute for the Blind and the Canadian Council of the Blind were receiving his careful consideration. These representations ask for a basic allowance for all blind persons without any means test. I am reliably informed that Australia and Denmark, and possibly other countries, already have such a provision in their social welfare legislation and I believe that Canada should be kept in the forefront with our excellent Liberal social security program.

There is meeting today in Ottawa a dominion-provincial conference to study proposals for a national health insurance program. We all hope that that conference will be a success and that out of it will come definite proposals for a national health insurance plan.

We have all noted with a great deal of satisfaction that our gross national product

is running considerably higher than was forecast in the budget speech last year of the Minister of Finance (Mr. Harris) and because of this many Canadians are hoping that the Minister of Finance will sharpen his pencil this year and give us some tax reductions, particularly reductions in the personal income tax.

However, I would be the last to suggest tax reductions at this time if they are made at the expense of our social security program. We cannot have it both ways. I believe that the majority of Canadians want a national health insurance scheme, but if we get it we must remember that it has to be paid for. However, if we as Canadians collectively can produce more per man hour through a well-managed and well-balanced economy, then we will be able to enjoy greater benefits, in the form of either tax reductions or increased social security benefits, or possibly both.

Before I close I should like to comment upon the amendment to the amendment proposed by the hon. member for New Westminster (Mr. Hahn) on behalf of the Social Credit group. I have studied the amendment to the amendment most carefully to see how it applies Social Credit theories to the solution of our national problems and I am sorry to say that I can find no trace whatever of Social Credit theories in this amendment to the amendment. There is no mention whatever in there of financial reform, such as those we are always hearing about, and—

An hon. Member: We are not on that side of the house yet.

Mr. Hanna: —there is no suggestion of a basic dividend such as was demanded by the Social Credit convention meeting in Calgary last fall. I am wondering why these and other omissions have been made. I am wondering why our friends across the way have not seen fit to put forward some of their Social Credit proposals in this amendment to the amendment. Can it be that Social Crediters have decided finally that their theories do not actually in fact offer any solution to the problems that face Canada today? I myself strongly suspect that is the real situation.

I believe that the government has done a pretty good job in dealing with the very matters referred to in this proposed amendment to the amendment. If Canada is to continue to enjoy a high level of national prosperity and if the provinces are to continue to get the best possible deal in the matter of dominion-provincial arrangements, then I believe we had better keep a Liberal government in power.

[Mr. Hanna.]

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, like most of the other members who have spoken in this debate, I should like to congratulate the hon. member for Timiskaming (Mrs. Shipley) on the speech she made in opening it. With the hon. members for Hamilton West (Mrs. Fairclough), Halton (Miss Bennett) and York-Humber (Miss Aitken), she sets a very high standard of representation, and her colleagues on the government side have good reason to be proud of her. We of the Conservative party are also very proud of our three women members and particularly proud that we have three times as many of them as the government. Considering that we have only 53 members altogether and the government has almost three times as many, I think we are doing just about nine times as well as the government, in the way of having representation by the women of Canada.

I should also like to congratulate the hon. member for Bellechasse (Mr. Laflamme). He did a difficult task and did it very well, and I wish him a useful career in public life. I would like to suggest to the Prime Minister that it is rather unfair to call on a brand new member to make a speech of that kind. I realize that is a custom in the house, but it must be rather cruel for the member who has to deliver the speech.

I should like to warn the hon. member for Bellechasse and the other new Liberal members against following the advice given to them last week by the Minister of Trade and Commerce and of Defence Production (Mr. Howe) at the Liberal party dinner held to honour him and the Minister of Agriculture (Mr. Gardiner). Press dispatches reported that the Minister of Trade and Commerce had this to say:

> In the "easy" sessions, a Liberal could skip a vote, ducking out of the house; might even, with impunity,—

I stress those words.

> —openly criticize the government and party policy. But not in the "tough" sessions. Then there could only be undeviating loyalty.
>
> If Liberals "both in the house and Senate"—

There is a little aside for the benefit of the new senators.

> —toed the party line, Mr. Howe forecast continued power through "another 50 years".

God help Canada if that were to happen. I point out to these new Liberal members what happened last year when this same minister laid down the party line, when he said he had to have his full wartime powers under the Defence Production Act on a permanent basis. I point out to them what happened to the handful of Liberal members who were rash enough to support him on the

floor of the house. The only one who derived any benefit from it was the former member for Spadina, who, of course, found a haven in the Senate.

The Prime Minister also followed this party line laid down by the Minister of Trade and Commerce. He followed it, for example, for weeks after the debate in the house began, telling us the minister simply had to have these powers or the government of Canada could not go on. Then, once he had the minister away on a fishing trip in New Brunswick, the Prime Minister ran up the white flag and made the most abject surrender to the official opposition that has been made since confederation. Of course, that only happened because he as Prime Minister had failed miserably to give leadership on this question. He knew from the start that the Minister of Trade and Commerce and of Defence Production was wrong and knew that action should have been taken to stop that minister earlier, but did nothing until weeks of debate had gone on.

If the advice of the Minister of Trade and Commerce is to be taken and the Liberal party members in this house are to toe the party line—and how they can do it more than they have been in the past I find it hard to imagine—the result will be that private members on the government side of the house will be gagged. That position has been the weakest feature of this parliament since it was elected two years ago.

Today I intend to deal with four subjects which did not find a place in the speech from the throne. That means, I suggest, that the government places very little importance on these particular subjects.

First of all, the speech forecast no legislation whatever for the veterans of Canada. Evidently the government has no intention of amending the existing veterans legislation, of introducing any additional measures to help the veterans of this country, or of setting up a committee on veterans affairs—either a standing committee, as so many of us have requested for years, or a special sessional committee.

In fact, the government's attitude is even more reprehensible in that the department now has only a half-time minister. That shows again the failure of the Prime Minister of this country to give leadership. He has allowed this session to commence without the veterans of Canada having a full-time minister to look after the problems which are of concern to them. It shows also the Prime Minister's low estimate of the ability of his parliamentary assistants. He has a great number of them ready, anxious and willing to become ministers, and yet apparently not one of them is suitable to be made the minister of veterans affairs or the postmaster general. It shows also his low estimate of the private members on the government side of the house. There are 170 Liberal members, but apparently among all the private members there is not one fit to take over one of these portfolios. But far more serious than that is this fact, that the failure to have a full-time minister of veterans affairs is unfair to the veterans of Canada. It is an insult to those veterans.

There are certain necessary changes that should be made in veterans legislation. I have not the time today to list them in detail, but I shall point out three or four. For example, there is a deadline in the Pension Act after which a veteran who marries cannot receive any payment for his wife, and if he dies his widow cannot receive a pension. That deadline is set at May 1, 1954. It should be advanced or removed altogether. I cannot see any reason why there should be such a deadline. It was written into the legislation in the first place to protect the veteran from deathbed marriages. In the United States there had been cases of young women marrying extremely old veterans simply to get a pension. In Canada previous governments have felt that such a thing should be prevented and hence the deadline. But there is no deadline for veterans of the second world war and there is no deadline under the War Veterans Allowance Act; also there is a wide discretion in the pension commission to deal with each application. I think the time has come to remove this deadline entirely.

Then the ceiling for the war veterans allowance should be raised. That question was debated at some length during the last session. I believe the time has now come when the permissive income should be increased to $1,200 for the single veteran and $2,000 for the married veteran as requested by the Canadian Legion. If that were done, recipients of war veterans allowance would be able to draw the full amount of old age security when they reach 70 years of age. That is something they are not able to do today.

Another improvement which should be made at this session is that provision should be made for the payment of war veterans allowance to veterans who are compelled to live beyond the borders of Canada for reasons of health. The other day I had an example of a veteran who was obliged to go to Mexico in order to stay alive. At the present time he can stay there only three months without losing his war veterans allowance. The result is that he must come back to Canada to die. I think that is an unfair situation. The same thing applies, of course, with regard to old

age security. It should not be beyond the ability of this parliament to frame some provision that will enable people to go outside of Canada, if they must do so in order to stay alive. Some provision should be made to enable them to do so and still draw these allowances.

Also provision should be made for the widow of an Imperial veteran where that veteran came to Canada before the year 1935; at the present time, unless her husband was in Canada for 20 years, she cannot qualify. That means that if he died after he had been here for 19½ years, his widow has no eligibility. In addition, the Canadian Legion made various recommendations to the Prime Minister (Mr. St. Laurent) and other members of the cabinet last fall for amendments to the pension act and also for further amendments to the War Veterans Allowance Act. These matters should be considered by this house during the present session.

I urge the Prime Minister to appoint a separate Minister of Veterans Affairs without further delay, also that he arrange for the consideration of these points that I have enumerated, and for the appointment of a committee on veterans affairs, preferably a standing committee.

The second subject which is not mentioned in the speech from the throne is the International River Improvements Act which was passed by this house last year and which was designed to meet a situation that had arisen on the Columbia river system in British Columbia. Hon. members will recall that there were several lengthy debates on this question. The bill was considered by the standing committee on external affairs. There was a great deal of publicity about the matter for many months and there was almost a civil war between the federal government and the government of British Columbia. In the final analysis, this particular bill was passed. Yet today, in 1956, it seems to have been forgotten. Apparently it has been put on the shelf by the government along with many other policies such as, should I say, that on health insurance.

I should like to outline the reasons for this legislation and the result. For 10 years, ever since 1945, joint investigations had been carried on in the Columbia river basin by dominion and provincial engineers. Then late in 1954 the British Columbia government proposed to make a deal with a United States company known as the Kaiser Aluminum and Chemical Corporation under which a dam would be constructed at the foot of the Arrow lakes. The federal government took a dim view of that proposal on the ground that such a dam would prevent the full utilization of the Columbia river system in Canada. I think the Minister of Northern Affairs and National Resources (Mr. Lesage) will agree that that was the basis for the dispute between the two governments. Eventually this International River Improvements Act was passed. It established a licensing control by the dominion over the improvements on all international rivers, having in mind primarily the Columbia river.

I have here a report, tabled by the minister a few days ago, showing operations under this act up to the end of December, 1955. The report sums up the purpose of the act very well in these words:

> This act provides for the licensing of international river improvements to ensure that the water resources of Canada are developed and utilized in the national interest.

I think that is a good description of the purpose of the act. The report goes on to show that no applications whatever for licences were received during the year.

Mr. Lesage: Mr. Speaker, if the hon. member would allow me to do so, I should like to say this. The regulations were approved only in the very last days of December or the first days of January. That is the reason why there could not be any applications until the end of 1955.

Mr. Green: Applications could have been made even though they could not have been dealt with. In any event, the minister's own report shows that no applications were made up to the end of last year.

Mr. Lesage: That is right.

Mr. Green: I think the minister should give this house a report outlining the present position with regard to plans for the Columbia river system in Canada. The development of that system must be commenced right away. Last year it was agreed by both the federal government and the provincial government that the Mica creek project could be undertaken. However, there are two major preliminaries. One is that a treaty must be negotiated with the United States concerning payment for downstream benefits. The second is that there must be a plan for financing the construction of the projects such as, for example, that at Mica creek.

First of all, to deal with the question of a treaty, I ask the minister this question. What steps, if any, has the federal government taken to negotiate a treaty with the United States? Last year, during the discussion of his estimates, I questioned him along this line. I refer back to page 4777 of *Hansard* of last year:

> Mr. Green: General McNaughton has recommended that there be a treaty on downstream

benefits. If hon. members remember, I point out today the great urgency in negotiating a treaty of that kind. I should like to ask the minister whether this government has yet taken any steps which would lead to the negotiation of a treaty concerning downstream benefits.

Mr. Lesage: Mr. Chairman, I have suggested the matter to the members of the international joint commission, and I understand that General McNaughton will insist at a coming meeting of the commission for a study of the matter.

There were further questions and answers and I said:

Have no steps been taken to deal with the United States government itself, as distinct from having the international joint commission consider this question?

Mr. Lesage: As I said before, Mr. Chairman, I believe we need the opinion of the members of the international joint commission on the matter. These gentlemen of the international joint commission have been dealing with this question for years now, and certainly they are best prepared to deal with a matter of this kind. Before governments can discuss the matter, certainly as far as we are concerned we want it to be discussed by the persons whom we consider to be the experts in the matter on both sides of the border.

There were further questions and answers to the same effect. I notice that in the regulations which have come out there is a provision that an applicant for a licence must give details of any agreement if it is intended to sell outside of Canada any part of the Canadian share of downstream power resulting from the proposed international river improvement. Although that has been put into the regulations, apparently nothing has been done towards negotiating any treaty with the United States concerning these downstream benefits. One of the federal government's main complaints against the British Columbia government last year was that it had attempted to make a deal which covered in part downstream benefits before a treaty had been negotiated, and yet we find this provision written into the regulations under the act.

In October I had the good fortune to meet Senator Richard L. Neuberger of Oregon when he was in Nelson while on a tour of the Kootenay district as a representative of the committee on interior and insular affairs of the United States Senate. He had been sent out by the chairman of that committee to inquire, on behalf of the committee, into the problem concerning the future development of the Columbia river in Canada. Our own minister has been kind enough to give me a copy of the senator's report, and I received one as well from the senator himself. It is very helpful in showing just what the position is concerning downstream benefits.

The senator, by the way, took a very fair attitude on this whole question. He was going around inviting representations from people in the district and listening to their views. I thought he had a very statesmanlike approach to the whole question and his report is an excellent one. He makes several recommendations to his Senate committee, and I propose to quote two of the recommendations. The introduction to his recommendations is as follows:

As a result of my own study trip on behalf of the committee, I recommend that the Senate committee on interior and insular affairs schedule public hearings at the earliest possible time to inquire into the status of plans and negotiations for the development of the upper Columbia river to the mutual benefit of the United States and Canada.

On the basis of the report which follows, I also make these substantive recommendations for consideration by the committee at such hearings:

1. That responsibility within the United States government for these important negotiations be raised from the level of a purely advisory committee like the United States section of the international joint commission and be explicitly assumed by the policymaking executive departments themselves.

I believe that recommendation should be put into effect in Canada. It is obvious that the chairman of the United States section of the commission is against downstream benefits, and I feel it is a waste of time to have the commission study this matter. It must be settled between the two governments.

The senator adds this further recommendation:

6. That this committee express its firm intent that, in our negotiations with Canada, no effort be spared to arrive at the best possible program for the development of the upper Columbia river—beginning now with the construction of the Libby and Mica projects—so as to maximize the mutual benefits to both countries which share this unique resource. Such a determined and constructive effort must give frank and open-minded consideration to the fair allocation of upstream costs and downstream benefits attributable to upstream storage—including possible sharing of benefits in generated electric power.

Now, as I understand it, that is what the Canadian government says. The senator also has this paragraph which I think is of great importance:

Failure to reach agreement on a mutually beneficial program for developing the Columbia river would threaten the gravest crisis in modern U.S.-Canadian relations, as well as incalculable economic loss to both countries. Agreement and execution of such a program, on the other hand, can assure economic progress for a generation to come for the Pacific northwest in both countries, and can make a material contribution to the industrial and defensive strength of the North American continent and the western alliance.

I do suggest to our own minister that the Canadian government take steps at once to initiate negotiations for a treaty with the United States covering downstream benefits.

The second problem concerns plans for financing construction. I ask the minister,

has the federal government any such plans? Has it made any offer to British Columbia? The Mica creek project could be commenced right away, and United States interests are anxious to do this job. They have already suggested that if Canada is not going to build that project they will. I think any such step would be a tragedy for this country. Surely, we can build our own projects.

Senator Neuberger explains the United States offer in his report. He had already dealt with the first proposal, the Kaiser proposal, and then we find this:

> A second specific proposal is the offer of the Puget Sound Utilities Council to finance the construction of Mica dam, also in return for a share of the downstream power benefits realized by Bonneville power administration as a result of the storage provided by the huge Mica reservoir. This proposal was explained to me in Seattle by Dr. Paul J. Raver, former Bonneville power administrator who now heads Seattle city light and is chairman of the Puget Sound utilities council, and Mr. Jack D. Stevens, consulting engineer for the council.
>
> The Puget Sound utilities council is composed of the Seattle and Tacoma city light systems, public utility districts of Snohomish and Chelan counties, Washington, and the Puget Sound power and light company. Together, these five utilities propose to finance construction of the Mica project at an estimated cost of $250,000.

He goes on:

> This plan has been proposed to officials of the Canadian government—

The minister denied at the last session that the plan had been proposed to the dominion government.

> —of the government of British Columbia, and of Bonneville power administration. Like the Kaiser proposal, it depends on agreement with all three of these governmental authorities.

That money in effect would be advanced by the United States federal government. They would place their credit behind the Puget Sound utilities council. I oppose any such plan. I believe that developments of this kind in Canada should be undertaken by Canadians. We have a precedent in the Canada Water Conservation Assistance Act which was passed in 1953. Under that act the dominion can enter into an agreement with any province to give assistance in the construction of dams and other works for the conservation and control of water resources in a particular province if they are of a major character.

We have another example in the pipeline plan. The government is now proposing to enter into a joint investment program, not only with the province of Ontario but in effect also with Trans-Canada Pipe Lines Limited. I believe that only in this way will the Columbia river system be developed to the extent to which it should be developed.

[Mr. Green.]

There is also the Saint John river development. There again the dominion and the province must co-operate. The same is true of the Saskatchewan river dam, if the government ever gets around to approving the construction of that project.

Either the federal government must pay for a portion of the cost of these projects, or it must back the credit of the provinces which actually do the work. That is the course followed in the United States and I believe the time has now come for the Canadian government to adopt a similar policy. Certainly, I hope that with regard to the Columbia river system the federal government is not playing the part of a dog in the manger by passing a bill last year that took very drastic licensing control over the river system and yet sitting back and doing nothing about developing it. If that is to be the policy of this government, then I give warning that the people of British Columbia will be very resentful, and rightly so.

My next subject has to do with the atomic energy field. There have been great changes in that field in recent months. Rapid progress has been made in finding ways of using atomic energy for the production of electric power, not only in Canada but also in many other countries in the world. I find that emphasized in the last report of Atomic Energy of Canada Limited. At page 6 I find the following:

> In view of the rapidly accelerating rate of development in the power reactor field—

Canada has set up at Des Joachims a demonstration power reactor, which I believe is being built in co-operation with the Canadian General Electric Company Limited, and will be operated by the Hydro Electric Power Commission of Ontario, it is hoped, in the year 1958. In addition, there is a research and development program along these same lines, which is described on page 8 of the report of the crown company as follows:

> To sum up, the principal objective of your company's two-fold program is to develop an economic atomic power station for those areas of Canada which have exhausted their hydro resources and where the cost of conventional thermal fuels is excessive. Too much stress cannot be placed on the need for an abundant and cheap supply of electric energy, if Canada's economy is to continue to expand. It is already evident that there are areas of our country which will find it necessary to turn to atomic power, if the growing demand for power is to be satisfied.

In addition, the N.R.U. reactor is to be completed in 1956 at a greatly increased cost, by the way. The original estimate of the cost was $30 million; it is now $50 million. Then, there have been new refining facilities at Port Hope for Eldorado Mining and Refining Limited, and there has been a great increase

in the production of uranium, and in fact there is need now for markets for uranium outside of Canada.

Where does parliament fit into this picture? Atomic Energy Control Board was set up in 1946 to supervise all the atomic energy program. Parliament votes all the money. We have to pay all the bills. I have always believed that in Canada there should be a standing committee on atomic energy, a watch dog committee protecting the rights of parliament. They have such a committee in the United States. There they have a congressional committee. It was refused in Canada, and the present Minister of Trade and Commerce (Mr. Howe) has very carefully kept all of this field in his own hands. Twice there was a special committee in this house, in 1949 and 1953, but we have had a committee only twice in a period of ten years. The result is that parliament has had little opportunity to know anything about the progress being made or to give any direction.

I urge upon the Prime Minister (Mr. St. Laurent) that there be an atomic energy committee this year to examine into this whole field, not only into the work of the Atomic Energy Control Board but also of Atomic Energy of Canada Limited, of Eldorado Mining and Refining Limited, Northern Transportation Company Limited and into the uranium policy of the government. That committee should have power to send for witnesses. The two previous committees were not given that power. There should now be a committee with the power to send for witnesses, and I hope that by virtue of the work of the committee some measure of control in this field will be brought back to parliament.

My final subject is the deep-sea fleet. Press dispatches of November of last year indicated that the government had decided to let the Canadian deep-sea fleet disintegrate, had refused to adopt any policy to save it. I ask the Minister of Transport (Mr. Marler) for a statement in this debate concerning the policy of the government on this question, the reasons for the stand taken in November, and also for an explanation as to what has happened to the statement of policy made by Hon. Mr. Chevrier on November 12, 1953. I need only point out to the house that today our deep-sea cargo fleet is practically non-existent. There are 90 odd ships under United Kingdom registry, manned by British sailors under control of the British government. The only interest Canada has is that Canadian companies own those ships and draw any profits that are made. They are all old ships built during the war. Canadian policy does not make it possible for the owners to build modern vessels, and if Canada took them back she would not have men to man them, in view of the failure of government policy during those years.

We need our own shipping. The Minister of Trade and Commerce was out on the prairies a few weeks ago complaining about lack of shipping. He has no Canadian ships to control, no Canadian ships to direct so that they could help with the carriage of our wheat and other products. In a few years from now the St. Lawrence seaway will be completed and I predict that there will not be one Canadian deep-sea dry cargo vessel using that seaway because there will not be any such vessels left under the Canadian flag. It is a ridiculous situation. Here again there has been a complete failure of leadership by the government. We believe that steps should be taken during this session to foster the development and encourage the maintenance of at least a nucleus of modern deep-sea cargo vessels owned and manned by Canadians and operated under the Canadian flag.

In conclusion, Mr. Speaker, may I warn the government that for it time is running out. The government is being watched today by the public far more closely than ever before. I need only quote to the Prime Minister an article in the Vancouver *Sun* of September 19 last. The Vancouver *Sun* has always been a supporter of this government until last year. It is the largest newspaper west of Toronto. This is the heading of the article:

> Liberals arrogant after twenty-year rule.
>
> Time to give Canada's government back to people.
>
> This is first of a series of searching articles on Canada's Liberal government.

There were several of them.

> Canada's Liberal government is getting too fat for its britches.
>
> With an arrogance spawned by 20 consecutive years of power, the administration is slipping into the ways of dictatorial bureaucracy.
>
> A change in Ottawa is overdue. It could come through a revamping of the Liberal hierarchy to bring management of the nation's affairs closer to the people and parliament. Or it could come through a change of government.
>
> Either way, a change from "cabinet rule" appears necessary, if Canadians continue their traditional taste for responsive, broadly-based government . . .
>
> These are conclusions, the Vancouver *Sun*, like many people, has come to after a close review of the government's actions in, during and since the last session of parliament.

There is the situation in 1956. I hope the cabinet will get a broader vision than the need for toeing the party line. There is not much inspiration or leadership for the Canadian people in that new policy laid down last week, that the solution is to toe the party line. I hope that the cabinet will try rather

to solve some of the serious problems facing the Canadian people. That is their responsibility today.

Mr. Goode: I wonder whether the hon. member for Vancouver-Quadra will permit a question. He has been very fair in most of what I have heard but in this case he has mentioned certain statements in the Vancouver *Sun*. I hope he will take the opportunity some time of reading my reply to those statements.

Mr. Green: Well, Mr. Speaker, I think that the hon. member should read his own reply. It would be much more effective if he read it than if I did. I am afraid it will not help anyone very much except perhaps himself.

Mr. D. R. Mitchell (Sudbury): Mr. Speaker, along with many previous speakers I wish to pay tribute to the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the motion to adopt the address in reply to the speech from the throne.

The hon. lady from Timiskaming, with her usual direct and charming manner, brought distinction to her sex, her constituency and herself by the able manner in which she proposed the motion we are now debating. She spoke with clarity and authority of the affairs of her constituency. Therefore, we who are associated with her as representatives of similar constituencies in northern Ontario are proud to take our stand with her as supporters of this government. My congratulations are also extended to the hon. member for Bellechasse on his contribution.

I have the honour to represent the constituency of Sudbury. When the new constituency of Nickel Belt was created in the redistribution of 1953 by absorbing the suburban portion of the old constituency of Sudbury, the urban portion which I represent remained under the name Sudbury. Owing to the vast increase in population we now have two ridings instead of one, Nickel Belt being so ably represented by my genial colleague on the government side of the house.

We have a very cosmopolitan population comprising dozens of nationalities, which makes it a melting pot in the true sense of the word. As an example, in the last year only, at three sittings in the judge's chambers over 600 individuals have received their Canadian naturalization papers. This is indeed a fine record, and these new citizens are taking their place with us to plan and form a strong community and a prosperous Canada.

Most of the rapid expansion and development in our area is due to the gigantic industrial influence exerted by the International Nickel Company which operates six mines and two smelters in the immediate district. The discovery of nickel occurred in 1885 when the railway was being constructed through our district. During rock cut blasting the metals of copper and nickel were uncovered and over the years this metal discovery has grown in leaps and bounds to the immense position in the industrial field it now enjoys. Ninety per cent of the world's supply of nickel is produced in the Sudbury area, with copper second in importance. Other metals in impressive amounts recovered in the smelting process are platinum, palladium, rhodium, ruthenium, gold, silver, cobalt, selenium, tellurium and sulphur and, of course, sulphuric acid. Now iron ore is soon to be added to this group of metals. The company has just completed the construction of an iron smelter at a cost of $19 million, and when all three units are in production will have an annual output of one million tons.

The International Nickel Company has an underground production of 44,000 tons per mine operating day and last year mined 14,468,000 tons. The proven ore reserves stand at 261 million tons, which would indicate continued prosperity for this region for many years. The figures, et cetera, to which I have referred, apply as well to the Falconbridge Nickel Mines, also in our area, but to a much smaller degree. As an example, the International Nickel Company employs 16,000 in our area and Falconbridge approximately 3,000.

I have described the great development and continued growth in industrial might of the Sudbury district to emphasize the contribution my district makes to our peacetime economy and to our security in time of war. This is indeed a billion dollar industry. Because a large proportion of the products are exported, chiefly to the United States, the stabilizing effect on our currency and the maintenance of the balance of trade between our two countries can be readily realized.

I should like for a few minutes to comment on some of the results of good legislation by this government, which has been of great benefit to my riding and which has added to our prosperity and economic structure. We have the fortunate distinction of being at the northern junction of two trans-Canada highways. The present one from Ottawa runs west to join the one running through the central part of the province, turning north at Parry Sound and meeting the present highway at Sudbury. It then continues west as one to terminate eventually at the Pacific coast. This, in itself, certainly puts Sudbury

on the main line for motor transportation adding to the main line of the C.P.R. which has served us for so many years.

"Now we are working on the pipe line", as it has been so ably put. Because northern Ontario has been mentioned so often in the construction of the trans-Canada pipe line, it would be of value to estimate what an advantage it would be to us in Sudbury and in the north generally. The mechanics of this service were very thoroughly explained a few days ago by the hon. member for Trinity (Mr. Carrick), so no further enlightenment seems to be necessary. Suffice it to say that we will welcome this service and use it to the best of our ability both in domestic and industrial consumption. I have been led to believe, though not by any authority, that should the International Nickel Company be convinced that this type of fuel would be more economical than that in use at present they would convert their furnaces to its use. If such a conversion should be made and the company use gas instead of coal or electricity for their blast furnaces, it is estimated that Inco would use more gas as fuel than would be consumed by any of the large cities of Canada for their many needs.

The hon. Minister of Transport (Mr. Marler) visited our city last summer and officially opened our airport. This has been a real contribution by the T.C.A. to link us more quickly with the rest of the world, and I am glad to report it has enjoyed satisfactory traffic on this feeder line. As everyone is becoming more air conscious every day, we are indeed proud to have been included in this expansion program. The airstrip is of standard length so I hope soon we will be serviced with the larger aircraft and find ourselves on the main east-west flight across Canada.

We are well serviced with television. The Sudbury privately-owned television station was the first in Canada to be granted a licence and is quite capably performing its public relations and supplying good informative and entertaining programs. We are authoritatively advised that we will be served this fall by the microwave hook-up which will be a welcome addition and carry live programs to us. All this will add to the pleasure of our leisure time and be of value to the cultural life of the community.

I would like to bring to the attention of hon. members that the only bottleneck in the rapid growth and development of our district is the service of our railways. Of course we are fully aware that the C.P.R. was located in Sudbury before this city was more than a village, but at the present time their station and yards have become wholly outdated and there seems to be no evidence of any attempt to cope with the problems consequent upon the advance of the city. As it stands now, the city is cut in half with the main line and switching tracks and the centre of the city tied up in vacant and undeveloped land which could be quickly absorbed for industrial or residential sites.

The yards are so inadequate that trains have to be held out on the main line and prevented from entering the yards by the severe congestion confronting them. Passengers entraining during the rush hours must cross through trains to board others. This is most unsatisfactory. At least two main crossings are almost continuously blocked by trains switching for nearly 24 hours a day, and vehicular traffic is tied up as a result.

It is quite evident the C.P.R. enjoys the major amount of traffic and resulting revenue in our city and is also aware of the difficulty they will have in attempting to expand their service owing to being hemmed in by the city being built all around them.

Under these conditions it is unbelievable that the C.N.R. has made no effort to assist in meeting the traffic demand and consider making Sudbury a competitive point by increasing their service. Surely for the assistance of the Sudbury area the C.N.R. can make an immediate investigation and take action to help remedy this chaotic and decadent condition. The citizens of Sudbury are demanding a solution for this problem and it is for this reason I am making this appeal to the hon. minister who, I hope, will bring this state of affairs in Sudbury to the attention of the president of the C.N.R.

In conclusion I want to congratulate the government on many acts that have helped our area. A few may be mentioned: the Lorne street subway which received considerable federal aid; the new federal building about to be constructed to house all federal departments; the R.C.A.F. radar station which is not too far from our city; and the air services, referred to earlier, made possible by the construction of a new airport.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is being held in Ottawa today one of the most important conferences that has been held for a long time. I refer to the conference being attended by the Minister of National Defence and Welfare (Mr. Martin) along with his colleague, the Minister of Finance (Mr. Harris), and their opposite numbers representing the ten provincial governments. As all hon. members are aware, the purpose of this conference is to study the question of health insurance. I shall not take any time to dwell upon the

many years that it has taken to reach the point where it begins to look as though something may be done, but I want to say that I chose deliberately to speak today in order that I might draw to the attention of the federal government the fact that of the groups represented at this conference its part is the most important of all.

We all recognize the importance of federal-provincial co-operation in the field of health insurance; we all recognize the important part that must be played by the provinces and by authorities even more local than the provinces; we all recognize the importance of the part played by the medical profession; but the key to any successful health insurance program lies in the method by which such a program is to be financed.

When it comes to the successful financing of a program of the proportions of a national health insurance scheme no local, voluntary or provincial authority has the financial capacity to deal with it satisfactorily. The only body in this country that has the financial capacity to deal with this problem is the federal government.

There are those who still contend that it would be best to leave as much of this as possible to voluntary agencies such as the Blue Cross, Blue Shield and similar organizations, and there are also those who still want to leave the major responsibility for health insurance to the provinces. When one deals with this matter he is not dealing in the realm of theory. The fact is that the experiences of some of the provinces and of voluntary organizations have made it clear that they cannot put health insurance on a financial basis that will be satisfactory, and by satisfactory I mean one that will get health services to the Canadian people according to their need for such services rather than according to their individual financial capacity.

Only within the last little while changes have been made in the rates both of the Blue Cross and the Blue Shield in my province of Manitoba which stress the point that I am making. In the case of the Blue Cross, which we know as the Manitoba hospital services association, whilst there has been no change in the basic rates for some considerable time, a constant change is going on in that groups of people insured under that plan are one by one being put into a category that requires payment of a certain percentage of one's hospital bill. The basis upon which certain groups are being put into that category is that in the view of the Manitoba Blue Cross they are poor insurance risks.

[Mr. Knowles.]

Similarly, the Manitoba medical service, just a short while ago, announced—not publicly, but by informing those affected—that groups of its subscribers who from experience have been found to be poor risks, in the sense that they need more medical care than others, are being put on a higher rate than those who experience has shown do not require quite so much medical attention. In other words, these voluntary organizations, which in filling the gap left by the federal government have done a good job, nevertheless admit that the only way they can carry on is by imposing the cost of hospitalization and of medical services, so far as possible, on the people who actually get that hospitalization or those medical services. This is not insurance at all; insurance calls for spreading the cost over a larger group than those actually hospitalized or given treatment.

There was a day when it was regarded as radical to advocate that everyone should receive education, that education should not be limited to those who could afford to pay for it. There are still some who think that that principle is radical when applied to hospital and medical services. But the fact is that our society has moved on a great deal, and most people who do any thinking at all about this matter today realize that medical matters are of social concern and that our people should get the hospitalization and medical services they require, because they need them and not because of the length of their purses.

I submit that, because the voluntary agencies are finding that they have no alternative but to charge on a flat rate or premium basis, or to charge on a basis where the cost gets back to the people who actually get those services, you are not by that means implementing the principle that health care should be made available to those who need it and that we should all pay for it according to our ability to pay. The only way in which that principle can be put into effect in this country is by the federal government providing the financial basis, and by making available out of general revenue the major portion of the cost of health services.

Therefore, important as is the place assumed at this conference today by the various provincial governments, I submit that the most important part will be that played by the federal government. I call upon the federal government not merely to look for the least common denominator, to sit back and hope that some arbitrary formula will not be met so that the blame for inaction can be put on the provinces, but rather I call upon the federal government to give leadership with respect to this most important

issue and to make a financial proposition to the provinces on the basis of the federal government's capacity for raising money according to the ability of the Canadian people to pay, so that we shall get a health insurance plan for Canadians that will really be a step forward.

It has been a pleasure during the course of this debate to hear many more hon. members speaking about health insurance than has been the case in former years. Of course, once it is mentioned in the speech from the throne—that happened many years ago when I first came here—that there is to be a conference of the various governments dealing with the matter, it becomes the thing to do. However, it is not good enough just to have a conference in session, just to have the notion that something will be done. The important thing is that health insurance get started in the right way. Thus a related reason for my urging the federal government to realize its importance at this conference, a related reason for my urging the federal government to give real leadership, is that I do not want to see health insurance programs in this country get off to a wrong start. I do not want them to get to a situation where we have to try to unscramble the omelet. Let us not run the risk of a hodge-podge that would not do the job. There is danger of that at the present time unless the federal government is willing to establish the basic principles of health insurance and lay them down in enabling legislation that will provide for proper health insurance right across this country.

We have at the present time hospital schemes in British Columbia, Alberta, Saskatchewan and to some extent in Newfoundland. We have voluntary hospital schemes in most of the other provinces. We have the premier of Ontario indicating that, whether or not something is done at the federal level, there will be action in this field in the province of Ontario. No two of any of these schemes thus far are identical. My suspicion is that, if Ontario goes it alone apart from the federal government, its scheme will likewise be different from those in effect in the other provinces where a start has been made. Ontario with its greater wealth could do better perhaps than some of the other provinces, but even Ontario will face the same limitations. Because it does not have the same tax base that the federal government has, it will not be able to go all the way in implementing the principle that we should pay for health services according to our ability to pay and receive those services according to our need for them. That means financing those services mainly out of general revenues. I am satisfied that, if there is not a national plan, if there is not a basic federal enabling act so that we get off to a good start, the day will come when we shall have to unscramble the omelet, when we shall have to undo the hodge-podge of the different kinds of schemes we have in the different provinces. Would it not be the part of wisdom and the part of statesmanship by this present government to avoid a hodge-podge, to avoid an unsatisfactory situation, by offering now to the provinces, this very day, the kind of legislation that will finance a health insurance scheme on a proper basis letting each province come in as it wishes, as was done with old age pensions and give us a chance to go forward step by step into a full-grown program rather than a hodge-podge that would have to be unscrambled?

I want to urge that there be no stumbling-blocks put in the way of a national health insurance program. We have had many of them across the years. Everyone knows that the latest formula is to the effect that the federal government will be prepared to assist in the financing of a health insurance plan in the provinces that wish it if a substantial majority of the provinces, representing a substantial majority of the people of Canada, indicate that they want it. I hope that formula will be met. I hope there will be six provinces—and surely that is a substantial majority of the provinces—indicating that they want health insurance. If Ontario is one of them, along with British Columbia, Alberta, Saskatchewan and Newfoundland, and possibly one more, surely that adds up to a substantial majority of the population of this country. But even if the formula is not met in its exact detail, I suggest that the people of Canada will feel that once again they have been let down if for that reason no action is taken.

Across the years we have had the related question as to how an amendment could be made to the British North America Act. This discussion has been sidetracked into the question of how many provinces would have to agree before there could be an amendment of the British North America Act; and we have had discussions as to whether or not this was necessary, depending on whether the money collected for this purpose was collected by way of general taxation or by way of earmarked taxation. We have had the excuse that there were not enough hospital beds. We have been told to wait until the national health grants program resulted in more hospital beds and more facilities. Then, just when we thought we were making headway and just when we thought there was going to be a special committee of both houses of parliament to deal with this matter,

in the same way that a special committee dealt with old age security, the international situation took a turn which enabled the government to say that defence commitments stood in the way of spending additional money on health services.

The Canadian people are conscious of this long list of excuses with which we have been confronted since 1919. They want action now. The eyes of Canada are on this conference that is taking place in Ottawa at the present time. Once again I urge the federal government to realize that its job is not just to sit there and find the least common denominator but that its job is to give leadership and to accept the fact that only the federal government can provide the financial base that will make it possible to provide health services to our people according to their need for these services, and let them be paid for by our people not according to the service individuals get but according to their ability to pay.

I wish also, Mr. Speaker, to urge that any health insurance plan worked out at the present time, in which the government must take the leading part, should include not just a minimum of services with the idea that they can be added to 10 years or 20 years from now but rather should include just as many services as possible. I am free to admit that maybe you cannot go the whole way at one fell swoop. The tragedy is that this program was not started a long time ago, at least as long ago as in the early 1940's, the first time it was mentioned in the speech from the throne. If we had only done that, by now we could be moving on to the addition of other services. But at least, Mr. Speaker, the initial stages should include diagnostic services, laboratory services and hospitalization. I am disturbed by the comments from federal government sources which suggest that hospitalization is not very high on the list. It should be right up there in the first stage. From there on the program should be capable of being developed until it includes medical and dental services and even until it includes sickness benefits for the breadwinner when he is out of work, either in the health insurance program or in the unemployment insurance program.

This is an extremely important field of social security, Mr. Speaker. Its potentialities are immense for improving the health of our people, the morale of our people and their productivity, if you will.

I insist that the opportunity must not be muffed by politics being played at the conference today, by governments looking to next elections or what-have-you, but rather all those at the conference should take advantage of the tremendous amount of research and study that has been done in this field and should come up with a program that will really mean something for the Canadian people.

I know there are those who will raise the old question of cost. I also know that the cost of an adequate national health program is today immensely more than it would have been in 1945 at the time of the green book proposals. However, it is still true that any national health insurance program that provides health services to all our people is not going to involve the expenditure of a great deal of new money. For the most part it is a case of rechannelling moneys that are now being spent by various levels of government, by private and voluntary organizations, by philanthropic bodies and by individuals. It is difficult to ascertain just what proportion of the medical costs of Canada are being paid by these various levels. Research done on the matter in the United States and such figures as I have been able to dig up for Canada, suggest to me that something of the order of 40 per cent of our medical bills are already paid by various levels of government which include the three levels, namely federal, provincial and municipal. That figure includes what is being paid for the health care of Indians and Eskimos. It includes medical services for the armed forces and such medical services as are provided for veterans. It includes the health grants and includes the various services provided by the provinces and the municipalities. Hence we are on the way. Social medicine is not something new. Its first stages are here. The Canadian people accept the fact that the cost of medicine is a social responsibility. All we are asking is that we visualize the immense possibilities for the health of our people, both curative and preventive, in going ahead with this program on a vast scale.

Someone might ask why I make a speech like this at this time. Why not let the government hang back? Why not let the government fail? Why not let the government muff this matter? It just so happens, Mr. Speaker, that it does not matter to me who brings in a national health scheme. It does not matter to me who gets the credit for it. My concern is that something be done. For that reason I deliberately chose to make this speech today, so that I might do my best to prod the federal government representatives at that conference to take the kind of action that will see the early establishment in Canada of an over-all health insurance scheme which, right at the start, will provide diagnostic, laboratory and X-ray services as well as hospitalization and which, just as soon as possible, will provide

medical and dental services and out-of-work benefits to those who are unemployed because of illness.

A great many people will be involved in working out this scheme, including all the various levels of government and the medical profession. Once again I make my appeal to our friends the doctors in this country who have rendered tremendous service to the people of Canada over the years. One also recognizes the transition that they have had to go through as society's attitude toward these things has changed. I think most of us feel that it is unfortunate that doctors, who have such great capacity for doing a real job and adding to the health of our people, should be obliged to be concerned about economic matters and should have to put the question of making a living even alongside the question of the good they can do for Canadian human beings. I feel that any health insurance plan owes a great deal to the doctors and owes it to them to consider their position, but I also think that the doctors owe a great deal to the Canadian people and that it is their job to find ways of co-operating in a plan that will give the best possible services to all our people in this extremely important field.

There are two or three other subjects, Mr. Speaker, about which I should like to say a few words. First of all, I must say that I listened with interest to what the Minister of Trade and Commerce (Mr. Howe) said on January 16, as reported first at page 124 of *Hansard*, at the beginning of his speech, and then at page 129 of *Hansard*, at the end of his speech. He said this:

> The speech from the throne was brought down at a time when the Canadian economy is travelling in the highest possible gear.

That is the theme song of the Canadian government: things are rolling at top speed. Then at the end of his speech he said:

> The attitude of the government is that it wants strength and progress through sufficiency.

I am prepared to accept that statement as a motto or as a goal. But in all seriousness I raise the question as to how those words, "strength and progress through sufficiency", fall on the ears of Canada's old age pensioners. The Minister of National Health and Welfare (Mr. Martin) may get to his feet as often as he wants to and decry the questions I ask about this matter. He may talk about the committee recommendation that was made in 1950. The fact of the matter is that, since the present figure of $40 a month was set, our gross national product has gone up by over 60 per cent. The gross national product in 1949, when the figure of $40 was set, was $16·4 billion. Estimates for 1955 put it at $26·3 billion; that is an increase of 60·3 per cent. If the gross national product this year reaches $27 billion, as some economists are forecasting, that will represent an increase of 65 per cent over the gross national product of 1949.

I feel it is little enough to ask for, Mr. Speaker, that our old age pensioners should get a corresponding increase in the pension that is paid to them. A 65 per cent increase in the pension which is now $40 a month would bring it to $66 a month. In other words, those labour organizations that are asking for a pension of $65 a month, in my view, are right on the beam. I decry the attitude of the government that these questions should not be asked. I decry the attitude of the government that this matter was settled because there was a committee that made a report in 1950. I decry the attitude of the government that the job is all sewn up because the means test was eliminated. The fact of the matter is that time moves on. No piece of social legislation is perfect for all time. No piece of social legislation ends the story or ends the fight for social justice and a fair deal for the citizens of this land. I insist that the time has come at this session for action on the question of old age pensions. In my view the amount should be increased at least to that figure of $65 or $66 a month for those on old age security, for those on old age assistance and for those on blind persons allowances as well. If we accept that figure for these groups, I suggest the same figure should apply in the case of those on disability allowances. I want also to support the remarks made a few months ago by the hon. member for Vancouver-Quadra (Mr. Green) that something further should be done with regard to the War Veterans Allowance Act, particularly with respect to the question of the ceiling on permissible income.

The Minister of Trade and Commerce (Mr. Howe) has told us we are travelling in high gear; our economy is rolling full speed ahead. Economists tell us our gross national product is going to be larger than ever. To what avail, Mr. Speaker, this high gear, this tremendous gross national product, unless it gets through to our ordinary Canadian people in health and welfare and a decent standard of living, as well as those things that will make them feel that life is worth living in a country that has attained such progress as the government tells us we have accomplished.

I turn also for a moment to say a word on the question of housing. The government likes to boast of the number of new starts each year. I submit in all seriousness, Mr. Speaker, that the number of people who are

losing their lives by fire in houses in this country should challenge this government to a tremendous speedup in its housing program. It is not enough just to be building new houses at high prices for people who can afford those high prices. A country whose economy is travelling in high gear, a country that feels it has great wealth, should be rebuilding from a quarter to half of the houses in this country or all those that are substandard and that continue to contain conditions that could result in further fires and a further loss of life. I repeat, Mr. Speaker, to what avail this high gear, this tremendous wealth, if thousands of our citizens must live in the kind of houses where life may be lost because of the danger of fire?

May I say a word now with respect to education. Here, too, I raise the same question. If we are travelling in high gear is it not a tragedy that in the field of education we seem to be slipping? I know the argument about education being a matter of provincial responsibility under the British North America Act. We in this group support that position taken in the British North America Act without question. The same situation holds in the United States, where education is a state responsibilty; yet President Eisenhower only recently recognized in a public statement that there comes a time when a matter such as education is of such importance to the nation as a whole that the nation as a whole has to consider the financial base upon which education is supported. I plead very strongly, Mr. Speaker, with this government to reconsider its position in this field, and to recognize the need for federal aid to education so that we can go ahead and not slip behind certain other areas of the world which are taking the lead over North America.

It has been suggested to me that there s one field where just a few million dollars —and that is easy for this government to find—could reverse the trend and that is in the matter of scientific training. We are not getting enough recruits in that field in order to keep pace with developments in the scientific world. We are losing many people to the country to the south of us. It has been suggested to me by experts in this field that just a few million dollars spent in scholarships could reverse the trend and keep Canada in the forefront in scientific training. The whole question of education is so important, so basic to our nation today and to our future, and of such nation-wide concern that I cannot but deplore the continued refusal of the government to concern itself with the financing of education. Once again I join my colleagues in this group and other members in other parties in the house; I join those groups of teachers, school trustees and municipal bodies who call upon this government for federal aid to education, without further delay.

I shall be through in a minute, Mr. Speaker, I accept the word of the Minister of Trade and Commerce that this nation's economy is in high gear, that this nation's economy is rolling ahead at full speed. I accept his assertion that strength and progress through sufficiency is a desirable goal. I call upon the government to put that assertion into practice. To what avail this high gear, if it is just statistics and figures and huge profits for large corporations? Let us get the benefit of this high gear, this fast rolling economy, this great sufficiency, through to our Canadian people. There are many ways in which it can be done. I have suggested some of them. I urge immediate action in the field of education, with respect to our veterans, in the field of housing, and in the matter of social security where the old age and blind pensions and pensions for disabled persons should be increased. Finally, I urge immediate action on the question I dealt with in the opening part of my remarks, a satisfactory national health plan. I urge that health insurance be brought in, and that it be based financially in such a way that it will get to our Canadian people, regardless of their individual financial capacity, the health services they need and which medical science is able to provide.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

(Translation):

Mr. L. E. Roberge (Stanstead): Mr. Speaker, may I join with previous speakers in offering my heartiest congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. With her customary grace, the hon. member for Timiskaming did splendidly in her description of the needs and geographical position of her constituency. She

told us, too, of its natural resources and we are grateful to her for giving us this information.

As for the seconder of the motion, though he is one of the younger members of this He explained the needs of his constituency and described, in a very clear fashion, what his constituency is like. Like the mover of the address, the hon. member for Bellechasse is certainly a valuable newcomer to this side of the house.

The people of those two constituencies are certainly proud of their members and, in any event, just by looking at the latter's smiling countenances, it could be assumed that their electors have decided to renew their mandate.

Mr. Speaker, I would very much like to say a few words of the fine constituency which I have the honour to represent, the constituency of Stanstead. As is well known, it is situated in the eastern townships, along the American border, from the state of Vermont to the city of Sherbrooke, which is aptly called the Queen of the eastern townships.

The population of Stanstead is mixed. It is mostly made up of French Canadians, with their love of hard work, joviality, and friendliness. But we have too some English-speaking Canadians, courteous and well versed in business matters, who are a great source of pride to us in that part of the country. To complete this picture of good understanding, we should also speak of those who live on the American border. A large number of those people who live across from us, on the far side of the border, share in our activities. This American element adds to this spirit of good neighbourliness of which we are so proud.

We should not overlook the part played by the Rotary Club and the chamber of commerce in the establishment of this policy of bonne entente in our area, a policy whereby we fraternize daily with our neighbours.

In fact, to illustrate what I say, I might point out that, on the occasion of the American Legion convention in Newport last year, an event to which all governors of New England states were invited, I had the great honour of being one of the guests, which afforded me the opportunity of meeting the governor of the state of New Hampshire, Mr. Dwinell, and the governor of the state of Vermont, Mr. Johnson, and to appreciate even more their spirit of bonne entente. Hence, I am convinced that they will continue to co-operate as in the past. I take advantage of this opportunity to extend to them my best wishes for the new year.

Coming back to the American Legion convention, I must say that I was very proud to see the R.C.M.P. band supply the music on this occasion. On this, may I be permitted to thank the Minister of Justice (Mr. Garson) who kindly helped us to obtain permission to use this band, as well as the R. C. M. P. commissioner who granted our request. The presence of this band in Newport, besides being great publicity, brought great credit to Canada. Newspapers of the surrounding area, as well as those of the New England states, and all my fellow citizens talked about it for a long time. I also congratulate the members of this band for their dignified behaviour and for providing entertainment which was appreciated by all.

Mr. Speaker, I want to talk now about some geographical situations and, above all, of the industries of this constituency, large or small, in all their forms.

The Beebe district has a granite industry operating on a fairly large scale. As a matter of fact, the Sun Life building in Montreal is a monument to the credit of that little village. Thanks to the co-operation of the Minister of Public Works (Mr. Winters) and of my colleague the hon. member for Sherbrooke, the granite you will see in the public building of Sherbrooke was from Stanstead county; it goes without saying that I am proud of that fact because it is going to be a great help to our region as far as employment for our people and publicity for our products are concerned.

In my home town of Rock Island, we have a steel plant which makes precision tools for industry, heavy as well as light. They are tools used in the aircraft, automotive and mining industries, etc. That plant is quite busy. It employs some 600 people, and I am told it is constantly expanding. I heard recently that it had taken on a number of new workers, which is good news indeed for the future of our region.

In the western part of my county and looking towards Coaticook there is a very prosperous little town which makes such products as fire hose, wooden furniture, textile, nylon and rayon. I was told some time ago that these industries are comparatively stable, although I imagine that, like anywhere else,

there is always room for improvement. At the present time people seem to be well satisfied.

If we turn northwards we come to Lennoxville, which was formerly part of Sherbrooke county but which has been added to Stanstead county.

At the time of the redistribution, and lately during my first election campaign, I had my leg pulled about this beautiful town of Lennoxville; but I must assure you, Mr. Speaker, that I am very proud to have the town of Lennoxville among those of my county, for its people are generally of a practical mind and they made a jolly good town for themselves. There is an asbestos roofing industry, and a few lesser ones. Lennoxville also has a university, of which we are proud, Bishop's College, the graduates of which are a credit to this institution all over the country and in all the spheres of society. Our experimental farm, under the able management of Dr. Mercier, is doing a wonderful job for our locality and our farmers from the eastern townships also benefit from its activity. And I hope things will go on as before.

To go back to the west, we come to the town of Magog, largest in the county. Magog is connected with the larger centres by the Canadian Pacific Railway and, moreover, is crossed in east-westerly direction by a national highway. The town has a population of 11,000. It is, I think, very satisfied with present conditions, though a year or more ago, things did not look very bright, for the town to some extent is dependent upon the textile industry; the Dominion Textile Company indeed has one of its main factories in Magog.

About a month ago, the company's manager assured me that the situation was now rather satisfactory. I was happy to hear this, because last fall, the outlook was rather grim, and heavy clouds seemed to gather on the horizon. There were rumours of unemployment during the winter, and also of an impending strike.

Fortunately, just before the Christmas season, an agreement was reached and the strike was avoided. Winter, therefore, began under good auspices, and I take this opportunity to congratulate the members of the Catholic union for their foresight. As I was saying a while ago, friendly understanding prevails in our district. All concerned were called upon to show their good will, which went a long way towards avoiding the strike. I, therefore, congratulate their president, Mr. Victor Lamontagne, as well as the manager of Dominion Textile, Mr. Jeff Moynan, for their particular co-operation with regard to the settlement of the matter. The latter showed a great understanding of both the company's interests and the workers' needs.

Now, the middle part of the constituency of Stanstead on the whole is rural. The future of agriculture having been discussed on many previous occasions, although I do not want to come back to the matter I feel I should point out that our farmers, as I stated before, live almost in a small paradise on earth. This earthly paradise, however, could still be improved. Some of our farmers are rather well organized as far as co-operatives and marketing are concerned.

In fact, towns close to the county provide them with a market for many of their products. In addition, they have access to a most favourable American market where they can sell their hay and cattle, although it is less interesting at the present time, for beef and other livestock sell at lower prices in the United States than on our own market, so that the prospects at the local level are good.

I believe, however, our farmers visualize the situation from a good angle. With their realistic approach, they anticipate better sales. For in our district the farmer must have a good business training to market his products. He must have also some know-how in mechanics, because in my county mechanization is gaining ground rapidly.

With his tractor and all the rest of his farm machinery the farmer must be enough of a mechanic to keep them operating. We can, in fact, see this every day; he is a good mechanic. Moreover the farmer must be content with a reasonable profit. True, he does receive more for his produce now than was formerly the case but this increase is not commensurate with the increased cost of the equipment he must buy to maintain his farm, etc. Still, he is not unreasonable and faces this situation with stoicism.

I should like to say to the Minister of Agriculture (Mr. Gardiner) that the farmers of our area are grateful to the present government which, through him, gives a great deal of assistance to agriculture through the maintenance of support prices on dairy products as well as of premiums on hogs, and

also through subsidies on transportation of lime.

And, on this matter of transportation of lime, farmers in the eastern townships, who are close to lime quarries, do not, in my opinion, fully appreciate this situation. They do not seem to be interested in taking advantage of this product, of which there is such a need in my area.

I believe that I have given a fairly exact description of the situation in my constituency, as I have availed myself of the latitude given us in the debate on the address in reply to the speech from the throne to elaborate on several topics.

I should like, in passing, to express full support of my colleague from Sherbrooke (Mr. Gingues) as regards health insurance. I do not wish to elaborate on what he said. With his talent and foresight, he gave to the house a fine outline of health insurance and I do want to repeat that I support him unreservedly.

There is a further point I should like to deal with for the welfare of my district. It has to do with the construction of an airport and once more I join my colleague in supporting that idea. Last year steps were taken to that effect and the hon. Minister of Transport (Mr. Marler) undertook to consider the project. I hope the study has advanced to a point where before long we may expect an announcement on the construction of an airport, in the vicinity of Sherbrooke.

Now, Mr. Speaker, our junior boards of trade in Coaticook and Magog have initiated a campaign this winter against the sale of obscene literature. I want to congratulate them on their move. They start their inquiry by looking over the books to be found on the stands and which, even though they are not too bad, are nothing but cowboy stories, murder stories and the like, and, as such, are not suitable reading for our young people. To my mind, it is important to consider that problem and to act before it is too late. But what is still more serious is the clandestine sale of certain books provided by special agents, books which lead to corruption, books that are obscene. As a matter of fact, I rather believe that the sex crime wave of which we have heard so much lately is connected with these disgusting and revolting books. An inquiry might show us that these criminals spent their idle hours wallowing in the reading of this obscene literature until, unable to control themselves, they attacked the first passer-by, the unhappy victim of these unbalanced people being quite often some poor little child.

I would compare these people to the hyena which roams about the desert at night looking for putrefying corpses, because they like to wallow in filth, in all that is dirty. That is where they find their pleasure.

I know that that field is under municipal and provincial authorities. However, I would ask the Minister of Justice to take whatever steps he can so that the law will be complied with in so far as the sale of pornographic literature is concerned.

(*Text*):

Mr. Speaker, I should like to follow the example of the hon. member for Brantford (Mr. Brown) and other hon. members who have spoken in both languages during this debate, and make a few observations in English. I think this would indicate our full belief in the bonne entente which our Prime Minister (Mr. St. Laurent) wants to bring into being. I think the use of both languages is completely in line with the procedure followed in this house.

I should like to deal with a matter which is a rather complex and touchy one. A few years ago I would not have dared to mention this, but conditions have changed and things are looking brighter all over the world. I refer to Japanese immigration. Everyone realizes that to deal with this problem a few years ago would have been out of the question, but the peace treaty has been signed and the Japanese have adopted our democratic way of life and perhaps it is our duty to try to keep them in that way of life.

Japan is not a member of the United Nations but recently she has shown a spirit of real co-operation. I do not want to put this in the way of a formal request but perhaps I could suggest to the minister of immigration that a change be made in our immigration laws. Under the present law Japanese immigrants are not permitted to enter this country; our doors are closed to them. I think under present conditions our minister of immigration might be permitted to remove this stigma from the Japanese people and open our doors a little.

As I have stated to the former minister of immigration, I do not believe in open-door immigration, but I like to see immigration treated realistically. People who are permitted to enter this country should be those who can comply with our immigration laws. We do not want all aristocrats and blue-blooded people, but those who come here must have good health, good character and have a good background. They must have everything that will help to make them good citizens.

Although the Japanese people are used to a different climate and have a different religion and way of life, I think they can become good citizens of Canada.

In the constituency of the hon. member for Brome-Missisquoi (Mr. Deslieres) there are some Japanese who were displaced persons during the war. They have assimilated themselves into the population of that district and have become good citizens. I have talked over this problem with some responsible people, one being a former member of parliament who has been to Japan a couple of times and has studied the problem over there. He tells me that when he goes there to do business he finds the Japanese willing to enter into negotiations for the exportation of goods or perhaps the purchase of some of our products, but during the course of conversations with them they always ask, "What have you Canadians against the Japanese that you will not permit immigration into your country?"

Our representatives over there are rather on the spot because they cannot reply to a question like that. All they can do is to reply the best they can. As I say, I have discussed this matter with Mr. Hallé, a former member of parliament, and we may hear more about it later. He has told me that a change in our policy in this regard would help our export trade in the way of cattle and raw materials with some manufactured goods. He says that there is a good market in Japan for farm machinery. It would also help our commerce with Japan in other ways.

I know it will be said that if we open our doors we will have too many Japanese coming into the country, but that is something for the powers that be to decide. We are looking for markets all over the world and I think this would offer a chance to improve our situation in that direction. Our missionaries over there would be benefited in carrying our social welfare education. There is always this feeling in the minds of the Japanese and they treat our missionaries in an inferior way. They do not have the freedom that they would have otherwise. I hope the minister will give a little consideration to this problem.

As I said before, I am not in favour of open-door immigration, but it could be done on a strict quota basis. We should treat the Japanese the same as we do the people of other countries in that part of the world. This concludes what I have to say on the Japanese situation although I could extend my remarks and speak a little longer.

Another problem I should like to mention is one that has been mentioned before in this house, though I do not think it has ever been very much discussed. Although I do not wish to labour the matter, I just want to say a few words on what is called the world calendar.

In our days, speed prevails in our way of living, and everything is streamlined in industry, in accounting, in manufacturing processes and in everything connected with industry and trade. This world calendar would meet present conditions better than the Gregorian calendar we are now using. I have nothing against the present calendar, but as we have improved many things in our way of living, this is just one suggestion that I place before the house.

Most of the industrial people and religious people with whom I have talked over this matter have no great objection to it. However, it has to be adopted on the higher level, and I would leave the problem to the Canadian standards association or to the cabinet to be presented. I believe the only way it could be adopted would be by the United Nations.

The purpose of this world calendar would be to improve, regularize and stabilize our time system. I believe it would more adequately meet our modern conditions and would respond more to the present needs of industry, government, agriculture, religion, science and education—every field, one might say.

I shall not describe this calendar at length, as many of you have probably read about it. It has only a few alterations as compared with the present calendar. The quarters would begin on the 1st of January, 1st of April, 1st of July and 1st of October. In those months there would be 31 days, and all the other months would have 30 days, but at the end of the year a day would be added which would be a world holiday. The advantage of this calendar is that it would be permanent. We would not have to get one every year. It would be the same year after year. If you were planning future engagements of any kind, you would know, for instance, that if the 5th of May this year falls on Sunday, the 5th of May would fall on Sunday every year thereafter.

Mr. Speaker, in order that members may have a better idea of this calendar, would I be permitted to place it on record on *Hansard* as an appendix?

Mr. Deputy Speaker: Has the hon. member consent to place this table on *Hansard*?

Some hon. Members: Agreed.

Mr. Roberge: The table is as follows:

WORLD CALENDAR

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

March

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

April

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

June

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30*

*Leap year, World Holiday.

July

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

September

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30*

(*World Holiday)

I do not wish to labour this matter, but I believe this calendar would be an improvement on the present one. It will have to be adopted all over the world at once, and it is up to the cabinet to present it to the United Nations, as I have said.

In closing, I may say that the speech from the throne had a good deal on the table for us, even if the opposition, as always, claimed that there is nothing worthwhile in it. However, I noticed that the Leader of the Opposition (Mr. Drew) spent one and a half hours talking about it, saying that there was nothing in the speech from the throne and so on. We have had statements from banks and commercial interests that 1955 was an outstanding year, one of the best years we ever had, and they are looking forward to 1956 being another good year. With all these accomplishments the government certainly deserves great credit; but every Canadian throughout the country has also contributed to this state of affairs, otherwise it would not be so. If every Canadian farmer stays at his plough, every machinist in the shops stays at his machine and every banker stays at his desk throughout the whole economy of the country, then 1956 will be even better than 1955. The same applies to 1957, and I think that in 1957 we shall see another glorious year for the Liberal party.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, the pleasant task of congratulating the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the speech from the throne is this year even pleasanter. For the first time we have had the resolution moved by a member of the stronger sex. As has already been pointed out, she comes to us here with that most invaluable experience, which one of our own women members has, namely, municipal experience.

In regard to the seconder, I at any rate am one of those who can regard him with envy when thinking of the long number of years that he may have ahead of him if he is fortunate enough, of course, to escape defeat at the hands of our party.

Now I should like to say a word or two about parliament as such before I come to what may be regarded as partisan matters, though I really feel that nothing I say this afternoon will be partisan. I just want to say a word or two in general terms.

When I had the good fortune to come to this house some ten years ago, I felt it was an honour as well as a responsibility. Although life in the opposition has its frustrations, for we do not always defeat the government, nevertheless I have felt that life here was very much worth while. I have felt that parliament, as it is the guardian of our free way of life, is really the guardian of all kinds of freedoms: that is to say, religious freedom, freedom of the press, freedom of competition, freedom of labour associations and freedom of business associations. I imagine we can all agree on that.

The only reason I mention this rather obvious matter at all is that it seems to me that the events we are now facing place on us a new and heavier responsibility and, along with it, a new and heavier task than we have ever had before. We have this new competition, this cold war, which in some ways is so alarming to us. However, it offers a strong challenge in putting it up to us that this free way of life, of which we talk so much and in which we believe so much, offers new responsibilities that we must recognize and that we must face.

One needs only to refer to the events of the moment: the recent visit of the Russians to southeast Asia and their attempts to help other countries, to put themselves forward as the real helpers in economic affairs and in military affairs, and in every way to seek to have the rest of the world look to them.

One particular aspect I should like to stress as being of special interest to many in this house is the tremendous impact that has already been made in the sphere of education. In a moment I am going to read an item from the daily press. Those in this house—and there are a good many of them—who are closely associated with the educational process, will realize how strong the impact of Russia is, particularly in respect of technical services. Some of us have hoped that education need not be much devoted to technical services as it had to be during the war. But we have responsible newspapers viewing with alarm—to use that phrase—what is going on now in Russia in the way of technological training. I am referring now to an article from the Ottawa *Journal* which says this:

> London dispatches tell of alarm voiced by Britain's leading newspapers over Russia's strides in technological training—

Then there is a quotation from the London *Times*.

> The London *Times* says that the plan, with its emphasis on technical training, is "a sobering reminder of the steady industrial progress which continues as the background to soviet foreign policy".
>
> The London *News Chronicle* says that the soviet threat is "obvious and enormous", that the West is "lagging hopelessly behind in technical education", and adds: "The western powers can no longer postpone bold, wholesale and imaginative revision of their educational systems".
>
> The Manchester *Guardian* has equally sobering comment.

So I say that, like all responsible people, we in this house particularly, must have regard to these things and to their implications. We believe that by the very terribleness of the new weapons we may escape them. But there is no immunity to this other kind of competition except through renewed efforts and renewed intelligence on our own part.

I come now to do a little bit of stock-taking of the government with reference to the speech from the throne. It was not a very exciting document. One never expects that the speech from the throne can be set to music. It is almost bound to be a drab document but this year it seems to me that it is particularly drab. Furthermore, I thought that the Prime Minister (Mr. St. Laurent) was singularly disappointing in not doing anything to give some inspiration which might derive from the speech from the throne. Let us take, for example, the reference to the Colombo plan. As I say, you cannot have that put in blank verse in the speech from the throne. However, I thought the Prime Minister might have had something inspiring to say about it.

As a matter of fact, the most exciting thing that has happened since this house last met is the revelation of split personalities in the government and the fact that each seems to know so little of what the other is doing. Indeed, they have had to seek inspiration outside of the house. They had a great dinner the other night, evidently, at which the "tumult and the shouting" was in great evidence. We have a new and interesting description of two of our colleagues in this house, namely the Minister of Agriculture (Mr. Gardiner) and the Minister of Trade and Commerce (Mr. Howe), who are described as the hardrock men. I find that to be an interesting description. It suggests a certain toughness, a certain impenetrability to the views of other people.

The report of the meeting was interesting in that it contained some wisdom from the Minister of Trade and Commerce. He referred to the coming election and to the by-elections. He even admitted that in the by-elections we in this party had some little encouragement. But so far as the minister was concerned, it seemed to me that he regarded the by-elections as just good clean fun; they did not mean anything. According to him, in by-elections people went out and voted without much sense of responsibility. But when the real test came, namely the general election, he indicated that these wandering people would come back to their true fold and that there no longer would be any sign of weakness.

We in this party like to think that we are generous-hearted, broadminded people. We like to think that we are trying to see good in others. We like to think we are trying to see good even in the government. We should like to show a generous attitude. We should like to find uses for the government. But as a matter of fact, as I look across the floor, I am not able to find any examples. The only things I can find are warnings. Of course, a warning is extremely useful in some ways. It can be as useful as an example. I propose to refer to one or two warnings. Time forbids my dealing with them at great length but I shall select those that I think are most worthy of being preferred. I am going to refer to the Department of Justice. I am sorry the minister is not here. I hope I shall say nothing that he could contradict having regard to its accuracy. I may say some things that he would wish to controvert. However, I shall try to be careful as to my facts.

I want to go back to a matter that I raised last July in this house. It was not the best time to raise it. It was one of those times when we were sitting all night or nearly all night. I felt a little bit apologetic, but I raised the matter then, and I raise it now. It is a matter which every man and woman in this house I am sure will agree on. I think there has been great inertia and at least the appearance of indifference. I do not think that is what this house would wish. I hope that what I say may perhaps contribute a little bit—and that others may contribute more—towards seeing that this question with which I propose to deal, namely the question of probation, shall not be delayed year after year as it has been since 1938 when the Archambault report was brought in. I will qualify that statement to this extent. I think our judgment on the government should be lenient until the end of the war but the war ended nearly 11 years ago and, as I shall seek to show, progress since then has been trivial indeed.

As to the merits of probation we do not need to argue. The Minister of Justice (Mr. Garson) has expressed himself in most candid and forthright terms on that matter. I just wish to recall to the attention of the house one or two important points so that we shall know exactly what we are talking about and the importance of it. It has had extraordinary success in England. In 1937 Lord Samuel, speaking 30 years after the passing of the Probation of Offenders Act, made an astonishing statement to the effect that committals to prison had been reduced from 180,000 to less than 60,000. The writer of the article in the publication *Welfare*

says that if the speech had been made in 1950, the number of 60,000 could have been reduced to less than 35,000. In other words, that would be a reduction from 180,000 to 35,000. Compared with their probation figures, our own figures are quite trivial. In England in 1950 approximately 34,000 were put on probation. Here in Canada the number was 3,600. It is not surprising that in these circumstances Professor Jaffray of the school of social work should say:

> In Canada we have made little use of adult probation as a method of treatment.

I want to make it clear that that statement was made five years ago and that I think the situation has improved and is improving. However, I still believe that what we have done is trivial. I believe that this government is primarily responsible. As appears in the *Canadian Bar Review* of 1949, at page 1040—and I think we should all blush to find this said about our situation—Professor Jaffray says this:

> Our Canadian system of handling offenders is fundamentally irresponsible. It is irresponsible because it is broken into so many separate bits and pieces that real responsibility cannot be placed. No one authority can be charged with the inefficiency of the system with its high rates of recidivism,—

I wish one could get a simpler word. I understand it means repeaters.

> —its wasteful costs. Hence we have drifted and are still drifting.

I am going to give you briefly a little close-up on probation because I think it is important that we should get a vivid impression of exactly what it is we are talking about. If we could only have that impression in this house I am quite sure there would be no delay. I am quite sure that before the estimates of the department come before the house this year, action would be taken. It is for that reason that I am on my feet. I refer to a broadcast given the other day by Anne Francis, a well-known broadcaster on the C.B.C. She begins in this way:

> Several years ago a woman—let us call her Mary—was brought into the criminal court of a big Canadian city. Mary had been stealing from her employer for many months. She had taken several hundred dollars before he became suspicious and brought a charge against her. The magistrate found her guilty of theft. He did not sentence her to serve a term in prison but instead put her on probation for two years. He did that because he thought she would have a better chance of going straight if she were allowed to live a normal life under strict supervision.
>
> There were several reasons why he made this decision. Mary was in her twenties and this was her first offence. She had been deserted by her husband and was supporting a two-year old daughter. She was devoted to her baby and had spent most of the stolen money on toys and clothes for the child. The magistrate felt it was important for her to keep her baby who, like all children, needed the love and security which only a mother can give. He also felt that putting Mary into prison and separating her from the baby would increase her resentment toward society and make it harder for her to find her way back to an honest way of life.
>
> Furthermore, since she was young and a first offender, he did not want her to be forced to consort with the hard boiled, unrepentant type of woman who is found in any prison in Canada. Finally, he felt it was an essential part of her rehabilitation to pay back the money she had stolen, and of course she could not do that, while she was sitting in idleness in a county jail or earning at most 25 cents a day in a reformatory or in the federal prison.
>
> Now, after the magistrate had given Mary a suspended sentence and put her on probation, her lawyer arranged a civil contract with her employer under which it was agreed that she should pay him back in monthly instalments. The probation officer found her a job and a suitable place to live close to a day foster home where she could leave her baby while she was at work. Mary gave the officer permission to tell her new boss and the landlady about her background. This avoided the danger of her being exposed later on and so losing her job and her lodgings. It also removed one of the fears which often incapacitate people who have a criminal record.

I shall just condense the rest of it by saying that under supervision this woman was able to pay back the stolen money and restore herself to a decent, honest life.

I want to add one other thing and that deals with the cost of this business. There are two main reasons why people are put on probation. First of all, it is a more effective way of administering justice, and it is certainly cheaper than sending people to prison. It is more effective because it reforms a larger number of people. Statistics show that only 25 per cent of the people put on probation come into court again, while over 70 per cent of those sent to prison break the law again. These figures are given in a report by the John Howard Society.

I want to point out also that the difference in cost is terrific. It costs $50 a year to keep a man or woman on probation, while it costs $1,500 to keep a person in prison. I have said that I believe everyone in this house will be agreed that is a good thing to do.

I should like now to view the unconscionable delay, the inertia and the apparent indifference with which the Department of Justice under the present minister, and indeed under the former minister of justice, the Prime Minister (Mr. St. Laurent), has dealt with this.

The beginning of this history of delay, inertia and indifference goes back to 1936. At that time the Archambault commission was appointed. Amongst other duties it was to report on the conditional release of prisoners, including parole or release on probation, conditional release under the Ticket

of Leave Act, and remission generally. In 1938 the commission reported and No. 70 of its recommendations reads as follows:

> A probation system, modelled upon the system now in force in England, should be adopted throughout Canada, both for adults and young offenders.

Then, No. 74 reads:

> The pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities.

I want to draw that particularly to the attention of members because what I shall bring to their attention later is that we have this old bogey of dominion-provincial authority raised again. We are left between two stools.

Lest I forget later, I should like to remind the minister of that old catch phrase from a music hall play, "Where there is a will there are three ways". I think the evidence I shall bring here will show that this thing has just been dawdling along with nobody taking hold of it; nobody apparently really keen about it. Let us go on from the Archambault report in 1938. I have said already that I think we should be rather gentle in our criticism until the end of the war because we have to remember that people were then engrossed in other things. When I brought this up last July, the Minister of Justice pointed out that a meeting was called in the autumn of 1947 for the purpose of discussing the implementation of the Archambault report. This had been followed by the carrying out of probation in several of the provinces.

This is true, but when you look at the figures it is a very disappointing statement. There are 89 probation officers in Ontario and 17 in British Columbia. I was actually given figures showing that there are none in Manitoba and only two in Nova Scotia. I want to say that the latest circular I have would seem to indicate that more of a beginning has been made in these provinces. But I say without fear of being contradicted that the result has been unsatisfactory. Even though I hope and believe it is improving now, we are still away behind.

The next step to which I shall refer was the appointment of a committee in 1953. Speaking last July at page 5917 of *Hansard* the minister said that this committee was appointed "with a view to providing the foundation upon which we could reasonably call the provinces together in a dominion-provincial conference". I find that a most disappointing statement. I might say that, before the minister entered the house, I had remarked that I was beginning from the end of the war because wartime was a special time. In 1953, eight years after the end of the war, a committee was appointed, as the minister says, "with a view to providing the foundation upon which we could reasonably call the provinces together in a dominion-provincial conference".

Then, 18 months later, last July, the minister told us he expected to receive a report from this committee in October. Speaking on July 8, 1955, at page 5917 of *Hansard*, the minister said:

> We thought that if we could get a report, which we expect to receive about October of this year, we would then have a mass of data which we could place before the provinces—in a matter which is their business and not ours—

When the minister says it is their business and not ours, I want to remind him what the Archambault report, the federal government's own commission, said many years before. It said:

> A probation system, modelled upon the system now in force in England, should be adopted throughout Canada, both for adults and young offenders—
>
> The pay and duties of probation officers should be the subject of an agreement between the provincial and federal authorities.

It seemed to me that was manifest good sense. I think it could be done. I believe the provinces would jump at it. It seems to me nothing short of a calamity that many months had gone by since the appointment of that last committee. I fear there may be still great delay. I will repeat what I said before the minister came in. I am on my feet because I should like to make any contribution, however small, to expedite this affair. I hope other members will speak about it because I think everyone in this house will agree about its being a good thing. It is only the old bogey about the division of responsibility that is being raised.

Now, last Friday, nearly 11 years after the completion of the war, the minister answered a question as to when he thought the committee might report by saying, at page 348 of *Hansard* for January 20, 1956:

> ..I think that the best I can say, conservatively, at the present time . . . is that it will be made during the present session of parliament.

I can only say I hope it will be early during the present session of parliament. Another point arises, of course, and that is the very difficult point as to whether probation was really included.

I must say the minister did not help very much to clear that up by what he said in this house last Friday when he was asked a question. He said that the committee was to deal with "parole" and "remission." He was asked then whether that included probation, and if not whether the situation could be

clarified, and so on. What the minister said in answer to that perplexed me. He said in answer to the hon. member for Eglinton (Mr. Fleming), as reported at page 349 of *Hansard:*

> I think my hon. friend, like myself, is a lawyer and I am sure he would know the principles of constitutional law well enough to recognize the difficulty we would have in the federal field in setting up a commission of inquiry to investigate that which comes under the provincial field of jurisdiction.

Later on I asked him whether, if he thought there was any constitutional difficulty in the way, he would communicate with the provinces and get their concurrence, which I am sure would be forthcoming. The minister's answer to that confused me a good deal because he said:

> During the whole course of this inquiry, I have had no reason to suppose that there was any difficulty whatsoever in this regard.

Just before that he seemed to me to be saying, we must not do this because it is not within our constitutional power. Later on he seemed to say the opposite. What I am saying at the moment is, I hope it will be clear that probation will be dealt with. I have been troubled about it. The words that the minister read on to the record the other day did not seem to me to be clear, and I can only say I hope that when this comes down we will not have to wait further for the full treatment of the probation question.

Mr. Garson: Mr. Speaker, if my hon. friend will permit me perhaps I might, on a point of privilege, endeavour to explain in greater detail what I tried to make clear in my interjection the other day, to which he has just alluded. It is true that this matter of probation comes under provincial jurisdiction.

Mr. Macdonnell: Mr. Speaker, I want to be obliging to the minister, but if he is going to make a speech I suggest he should do it in his own time, since I am told that he can speak later.

Mr. Garson: Perhaps it would be more appropriate.

The Acting Speaker (Mr. Applewhaite): If the Minister of Justice will permit me, I think he is fully entitled to rise and briefly clarify any misinterpretation which may have been put upon his remarks; but if he is going to go to the extent of debating the merits, or giving us the history of what has gone on, under these circumstances I think I must agree with the hon. member for Greenwood that the minister should make a speech. My understanding is that all hon. members have the right to clarify or correct a misinterpretation which may have been put upon their remarks, but I think that it should go no farther than that.

[Mr. Macdonnell.]

Mr. Garson: I would like it understood, Mr. Speaker, that the time taken in any brief remarks I make would not be charged against my hon. friend; otherwise, I would very much prefer to resume my seat and rise again after he has finished his remarks. Perhaps that is what I had better do.

Mr. Macdonnell: Mr. Speaker, what I have been trying to say is that the government's own commission gave it certain advice. It was set up, let us say, ten years ago, although actually it was before the war. Let us take ten years as the working field. Now, those years have gone by. The minister seemed to speak with a good deal of satisfaction of certain things that were done in 1947. That was two years after the war. Even between 1947 and 1953 there was a period of six years. Then, a committee was appointed in 1953, which was more than two years ago. I do not want the minister to tell us that there were busy men on that committee. Of course they were busy and that was a matter he had to take into consideration when he appointed them. There are busy men on the Gordon commission but nevertheless that Gordon commission, whatever else we can say about it, is going full steam ahead getting its evidence. I do not know what this other committee has done. All I know is that they have had two years, twenty-four months, with more and more unnecessary expenditure of money and more and more waste of human material, which is even worse. How the minister could say last July that he thought there had been nothing remiss in the conduct of the Department of Justice I cannot understand. That shocked me very badly, and I can only hope that deep down in his heart the minister did not quite mean that seriously. I would further hope that at the present time he is trying very hard to speed up this matter. I hope further that when the estimates come down this year there will be some evidence of this.

It is, to put it mildly, shocking to be informed, as I am informed, that in England they are dispensing with penal institutions while we are building three more penitentiaries. If that remark needs correction the minister can do it later. It is my information that while they are dispensing with houses of correction in England, we are having to add to ours. Why that should be I would like to know. It seems to me to bear out fully what Professor Jaffray said and what I urged earlier in this house, about our system namely, to put it mildly, "fundamentally irresponsible".

There is one other point that bothered me, and I should like to mention it before I pass

on from this subject, and that is the minister's reference to a mass of data. Now, a mass of data always suggests to me that you are going to have weeks or even months of going and coming discussing this or that. Without, of course, expert knowledge on the matter, it seems to me that this problem is so simple that I cannot believe there are a lot of new techniques that need to be involved. As I said earlier, where there is a will there are three ways. I would assume that what has been done in Ontario would at any rate be of useful assistance to other provinces. I would assume, for example, that if a province has two probation officers, the only thing that is really necessary for them to work better is to have more help. Again I say I hope we will not be told when the estimates come down, oh, yes, the committee has reported; it has reported earlier than the minister said, and the mass of data which they have produced is now being studied, and so on. I hope that others in this house will join me, when the estimates come down later in the session, in holding the minister accountable for action.

I want to say a word about the Department of Finance. I want to give the minister some advice as a warning, because I think he needs a warning. It is that when people play with sharp tools they may slip in their hands, and if they do not injure them they may injure somebody else. That is what I think the minister can do.

I heard the minister speak in Toronto just two weeks ago today. It was a very pleasant speech, and I would not think that one could make much political capital out of it, because he kept close to shore all the way.

Mr. Pickersgill: The hon. member is mixing his metaphors.

Mr. Macdonnell: You know, Mr. Speaker, I believe there is a view current that cabinet ministers never come to Toronto, that they must not be seen there. That is not true, but an interesting thing happened there, and it shows how the people in Toronto are getting a bit down about this. In introducing the Minister of Finance (Mr. Harris), the president of the club said this:

> He has the distinction of being very nearly a cabinet minister from Toronto. If he had not moved to Markdale he might have been that rarest of rare birds, a cabinet minister from Toronto.

To me, that raised a very interesting point. We know that a cabinet minister cannot live in Toronto, but how near can he live? After all, the Minister of Finance is less than 100 miles away, and the parliamentary assistant to the Minister of Veterans Affairs (Mr. Bennett), is within 100 miles of Toronto. The Minister of National Revenue (Mr. McCann) is about 200 miles away. He is pretty safe. The Minister of National Health and Welfare (Mr. Martin) is about 300 miles away; the Secretary of State for External Affairs (Mr. Pearson) is between 700 and 800 miles away; and the Minister of Trade and Commerce (Mr. Howe) is at the head of the lakes. I suppose that is as near to the wheat-growing area as he would dare to live.

So there you have it. The only other thing one thinks of is the Liberals who have been elected in Toronto. Of course they are not going to stay there long; we all know that, but still they have been in this house and they must be disappointed. The only comfort I can give to them are those words of Milton with which we are all familiar: "They also serve who only stand and wait."

I want to give a little warning to the minister about what I call the precipitate use of sharp tools. The minister has evidently concentrated on that part of financial policy which we call monetary. As I understand it, the technicians have now divided financial policy into what they call fiscal and monetary. Fiscal includes tariff, excise, subsidy and taxation, but monetary includes just dealing with the technique of money and its chief instrument is the interest rate.

It is very interesting to see what has happened. With regard to the interest rate, the argument made for the interest rate as an instrument and I think there may be something in it, is that it is more impersonal in that it hits everybody. Tariffs hit this person or that person, as do taxes, but the interest rate hits everybody. For that reason it is very important that it be dealt with wisely, temperately and cautiously. When we examine what has been going on in the Department of Finance during the last eight or nine months I very much doubt whether we would come to the conclusion that they have followed those rules.

Let me say at this point that it was made perfectly clear to us two years ago when the Bank Act and the Bank of Canada Act were revised that these matters are controlled in the Department of Finance. I say that particularly because otherwise I think it would be a questionable matter, if one were in any way criticizing civil servants. I think that would be improper, but I want to stress the fact that the banking and commerce committee was told by the ex-minister of finance and the ex-governor of the bank that the Department of Finance called the tune and if there was any difference of opinion it was the governor of the bank who had to give way. I say that because I want it to be

perfectly clear that in what I am saying I am criticizing the Department of Finance, which I am entitled to criticize.

I am not going to talk at length about the bank rate. The "bank rate" sounds far enough away to most of us, although we do know that for generations in England the bank rate has been a portentous thing and that the raising and lowering of the bank rate has had substantial effects on the economy of the whole country. A change of a fraction of one per cent in the bank rate could have far-reaching consequences, because it could and did affect the prices of the highest grade securities in which financial institutions, notably banks, are heavy investors. For that reason a slight change in the rate can be a devastating thing to people dealing with hundreds of millions in bonds.

For instance, the changes last autumn contributed to a change of three points in the price of high grade bonds. It seems clear that the department is quite confident that the entire economy can be controlled, and accurately and even mechanically controlled, by monetary measures. Some will feel that this confident view is the product of the classroom and the ivory tower, and that it should be regarded with some misgiving. I think many people will feel that good old human nature enters into this, and that human nature has a way of not being controlled from the classroom or the ivory tower.

My time is running out. I must be very brief and take advantage of the time left to me and make two or three points. I want to point out that in February last the bank rate in Canada was dropped from 2 per cent to 1½ per cent. That was going against the current. That was doing what no other central bank was doing. Other central banks were either raising their rates or were standing pat. It indicated, in other words, what we call an easy money policy. It was lower than that of any other central bank. Then the United States boom began to spread to Canada and in quick succession the bank rate was raised in August from 1½ per cent to 2 per cent, in September from 2 per cent to 2¼ per cent, and in November from 2¼ per cent to 2¾ per cent. This, as I said, had a definite effect on the bond market. Incidentally, 2¾ per cent was the highest rate in the history of the bank. One thing I want to add is that there were heavy demands, rather overwhelming demands as we can read from the bank reports, made on the banks in regard to increasing their reserves. Hon. members will remember that in the last revision of the act the working rate had been 10 per cent. It was not a statutory rate but a working rate, and 8 per cent on a weekly average was made the statutory rate, which greatly eased the position of the banks.

Last November proposals were put up to them to almost double their reserves, which was a very formidable demand to have made. There is just one thing I have time for and that is to point out what can be the practical results of this manipulation of interest rates and of the whole question of reserves and of the relationship between the central bank, the Department of Finance and the commercial banks. I am reading now from the *Globe and Mail* of—

The Acting Speaker (Mr. Applewhaite): Order. I am very sorry but I am afraid I will have to interrupt the hon. member. I have allowed him two minutes over his time on account of the interruption that was made.

Mr. Macdonnell: Could I have just 30 seconds to read a quotation.

The Acting Speaker (Mr. Applewhaite): I do not wish to appear to be harsh on the hon. member, but it has been pointed out previously in a similar situation that we have a time limit on the debate, and therefore any courtesies extended to one hon. member will automatically work to the detriment of another.

Mr. Garson: Mr. Speaker, perhaps I might now rise on a point of privilege and endeavour to clear up the misapprehension which my hon. friend who has just taken his seat voiced a few minutes ago.

Mr. Drew: On a point of order, the minister is entitled to rise on a question of privilege to correct a misstatement, but it is not his right to correct a misapprehension of the hon. member who has just spoken. I am quite certain we know where any misapprehension lies, but that is not the point. It is not his right to correct a misapprehension. He has a right to make a speech. I submit, Mr. Speaker, that following the course you have just followed, if this is merely a question of making one of these general speeches and correcting what the minister regards as a misapprehension it has no place as an interjection here unless it is a speech.

Mr. Garson: If I may rise now on a point of order, to deal with the remarks which have just been interjected by the Leader of the Opposition, it is my understanding that citation 235 of Beauchesne, third edition, reads as follows:

> A member who, during a debate, has spoken to a question may again be heard to offer explanation of some material part of his speech which has been misunderstood; but he must not introduce new matter or endeavour to strengthen by new

arguments, his former position which he alleges to have been misunderstood, or to reply to other members.

Mr. Fulton: You have not spoken in this debate.

Mr. Garson: The time for such explanations is at the conclusion of the speech which calls for it.

Mr. Lennard: You have not spoken yet in this debate.

Mr. Garson: I took my seat on the previous occasion just a few moments ago.

Mr. Fulton: On a point of order—

Mr. Garson: May I just finish.

The Acting Speaker (Mr. Applewhaite): At the moment the Minister of Justice is outlining a point of order.

Mr. Garson: I was right in the middle of a sentence, as I think my hon. friend from Kamloops will agree.

Mr. Lennard: Take half an hour. Take all the time you like.

Mr. Garson: Thank you. I was endeavouring, in the first instance when I interrupted the hon. member for Greenwood, endeavouring to correct what, if I may bring myself within the terms of the citation I have just read, was a quite unintentional misunderstanding by him of what I had said previously and what he has now been misquoting. May I put it this way, the question of probation comes under provincial jurisdiction.

Mr. Fulton: Has the minister concluded his point of order?

An hon. Member: No, not yet.

An hon. Member: It will take him all afternoon.

Mr. Garson: I had concluded my point of order.

Mr. Fulton: I think the minister has placed himself beyond the terms of the citation he read because that refers to misapprehension with respect to a speech made during the course of the debate. I hope the minister will correct me if I am wrong, but I understand he has not spoken in this debate and therefore there could be no misapprehension as to what he has said.

The Acting Speaker (Mr. Applewhaite): The citation which I had in mind is the one referred to by the Minister of Justice. In the interests of this debate and of hon. members on both sides of the house I suggest that the Minister of Justice be permitted to state his question of privilege or personal explanation as covered by citation 235. It will then be my responsibility to decide before he has gone very far whether or not it is a question of privilege, but I cannot make that decision until I hear him.

Mr. Garson: As I was saying, the matter of probation comes entirely under provincial jurisdiction, while the question of remission and parole comes clearly under federal jurisdiction. We could not with propriety issue a royal commission or set up an advisory committee in relation to a matter which comes under provincial jurisdiction, namely the question of probation. But it is entirely proper, as I tried to point out on previous occasions on which my hon. friend and I exchanged views in this connection, for the federal government to set up an advisory committee upon remission and parole. In that connection it is also quite proper for us to make it clear to those who are advising us that there is no limitation whatever imposed upon their reference in the hope, which I feel confident will be realized, that in the course of their inquiries our advisers will find it possible in their examination of remission and parole to examine also all questions of probation which are related to these federal questions of remission and parole.

If, for example, as I understand was the case, our advisers go to study these questions in Great Britain where there are no jurisdictional problems of a federal state but they have a unitary government, these three subject matters are all under the control of that unitary government; and it would be manifestly absurd if our advisers examined remission and parole in Great Britain without reference to the related question of probation.

An hon. Member: What is the point of order?

The Acting Speaker (Mr. Applewhaite): Order. At this stage I trust the Minister of Justice will permit me to say that I listened to the speech by the hon. member for Greenwood (Mr. Macdonnell) and the reference referred to. In his opening sentences I think the Minister of Justice dealt with the question which had been raised, that is remission versus probation. I would suggest to the Minister of Justice that he has made the distinction clear and I think any further elaboration of the subject could be regarded only as debating its merits and not the interpretation put upon it by the hon. member for Greenwood.

Mr. H. P. Mang (Qu'Appelle): Mr. Speaker, may I first congratulate the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) on the address, and in doing so I should like to emphasize my congratulations by saying that I am sure everyone will agree that they did credit to themselves, to the people who

elected them and to the party which they represent. It is to the credit of the government that they are recognizing the position of the women of this nation in this very public way.

Perhaps hon. members will recall that last year for the first time in history certain duties were performed by a lady senator. This year a fine gesture has been made to the women of Canada in the choice of the hon. member for Timiskaming as the mover of the address in reply to the speech from the throne. Perhaps in that connection some hon. members may have noted certain press items a week or two ago concerning some ardent women's organizations in Toronto, or at least in Ontario. They brought to the attention of the public generally the fact that there were too many people in the House of Commons with hairdos of which they did not approve, and that most of them should be eliminated.

I am just wondering whether this recognition on the part of the government of the women of Canada will encourage them toward further efforts of organization in an effort to see that people with more splendid hairdos than some of the unfortunate people in this house have to put up with are sent to this house. Perhaps this will draw a lengthening shadow over the prospects of some hon. members here.

I am saying this more or less facetiously, but the fact is that if the women of Canada should really organize, with the strength they have there is no doubt that we would have many more of that sex as members of this House of Commons. Perhaps it would be a good thing, because they tell me that the ladies arrive at decisions, and more often right decisions, by intuition rather than by lengthy processes of reasoning. That might prove to be a great time-saver in this House of Commons. With the encouragement to women to enter politics, as this government has encouraged them, perhaps the time will come when the complexion of this house will be radically changed, when it will be more colourful than it is today.

I think I would be remiss in my duty as representing the constituency of Qu'Appelle and as a Saskatchewan member if I did not mention the visit this past year of the Prime Minister (Mr. St. Laurent) to Saskatchewan. I represent the constituency which we like to call the pioneer constituency of Saskatchewan. Many of the pioneers were at that gathering in front of the legislative buildings in Regina, and some of them expressed to me how wonderful it was to be able to attend a meeting at which the Prime Minister spoke so well. On behalf of Qu'Appelle constituency, and I am sure I can include the rest of Saskatchewan, we were most happy to have the Prime Minister with us in the celebration of our jubilee.

There is one other matter I should like to mention before I deal with the address in reply to the speech from the throne. I refer to the laying of a wreath on November 11 on the cenotaph here in Ottawa. On behalf of Qu'Appelle constituency, and on behalf of the lady from Qu'Appelle who took part in that ceremony, I should like to express my appreciation. I refer to Mrs. John Leboldus, who was chosen by the Canadian Legion and government to represent the mothers of Canada in the laying of a wreath at that time. Although not in the best of health, Mrs. Leboldus nevertheless agreed to perform that ceremony. Mr. and Mrs. Leboldus have been in Qu'Appelle constituency ever since they emigrated from Europe at the turn of the century. They have made a very fine record for themselves as pioneers, and have raised a very large family.

The gesture on the part of the Canadian Legion and the government in having Mrs. Leboldus perform this function at the cenotaph was appreciated very much for another reason. Western Canada, as you know, has a great many immigrants, and here is a mother who only at the turn of the century came to Canada. She and her husband both became Canadians, homesteaded and built up a wonderful home and a wonderful family. When the supreme test came they sacrificed three sons in the second world war. One can imagine the anxiety of that mother when it is realized that, besides these three, there were other members of the family in the services during the war.

On behalf of the people of Qu'Appelle and Mr. and Mrs. John Leboldus, I wish to thank the Canadian Legion and the government for having invited her here to perform that function. It was a splendid gesture to those people who came from central Europe to pioneer in this country.

I should now like to turn to the speech from the throne. In doing so, before coming to what I consider the most important part of that speech as far as western Canada is concerned, I should like to draw attention to a few of the paragraphs preceding it. There has been much comment with respect to this speech, praise and otherwise, both in the press and from hon. members in this house. As far as we in this house are concerned, I quite realize that it all depends on what benches one occupies. Naturally the opposition cannot praise the speech; if they

did the political repercussions might not be too happy. So, being in opposition, they must perforce play down, shall I say, the importance of the speech from the throne.

However, the more one reads and studies that speech, the more one realizes that it covers a very wide field of national and international endeavours by the government. First of all this paragraph struck me:

> The government . . . is continuing its constant efforts through diplomacy and negotiation and through the United Nations and other international agencies, to bring about better understanding between nations.

That statement that we are continuing our efforts along the lines indicated is very important. The securing and maintaining of peace and bringing about an end of the cold war is of paramount importance to our economic life, from every direction you may care to view it.

Last year, as you will remember, the hot spot in international affairs was the area off the coast of China. This year the scene has shifted and the hot spot is in the Middle East but during the year the Canadian government, with its usual vigilance, has paid attention to international affairs. I might mention particularly the performance of our Minister of National Health and Welfare at the United Nations, where he did such wonderful work on behalf of this nation toward the maintenance of peace in the world. The Secretary of State for External Affairs, on his world tour, made those personal contacts which are so important to the maintenance of proper human relationships on which all peace is built. The Minister of Fisheries, in spite of his accident, has done wonderful work and no doubt we shall reap results from that visit in a very definite way as the result of better understanding among the nations of the world.

What strikes me as very significant is that this government is vigilant as regards this particular matter mentioned in the speech from the throne, to a degree that all too many people fail to realize. In the world of today, arms alone do not guarantee security; they are but a bargaining force, shall I say, which can be used if necessary if everything else fails in trying to establish good human relationships. But the importance of the work of these men I have mentioned in establishing and maintaining peace, and the direction along which this government is travelling in that regard, cannot be overemphasized.

I was glad to notice in the next paragraph of the speech that the Prime Minister has accepted the invitation to attend the meeting of commonwealth prime ministers to be held in London. Here is a matter that should be given wider publicity as a matter of national pride. When one thinks of Canada, a nation of some 16 million people, meeting at this commonwealth conference with representatives of perhaps 450 million people, and then assesses the strength and influence which our Prime Minister as a Canadian wields among those representatives of close to half a billion people, it almost borders on the fantastic. It emphasizes the virility of this nation of ours, and it also emphasizes the calibre of the men whom we are able to send from these shores to these international gatherings. You can be represented at a conference but, unless you have a personality who can establish the proper human relationships, and can conduct himself in such a way that he will be respected and his opinions will count, your influence will be greatly minimized.

Canadians should be made aware and should have emphasized to them that the powerful influence Canada is wielding in the world today is altogether out of proportion to our population. This means that while our population is small, the calibre of people who are doing the job of world public relations is extremely high indeed.

There is just one more thing I wish to mention before I come to the paragraph which I said I consider to be the most important for western Canada, namely the paragraph which states that the royal commission to examine and report upon our economic prospects is proceeding with its inquiry. I attended the meeting of this commission in the legislative buildings at Regina last summer and heard the submissions that were made. They covered a fairly wide range of subjects, all the way from the South Saskatchewan dam to the suggestion that there be worked out a national wheat policy which would be of benefit not only to western Canada but to the nation as a whole.

As to that submission, I notice that the government has already beaten the commission to the draw in this sense. Part of what has been submitted has already been in the mind of the government and is coming on to the satute books shortly. That will be another step in framing a national policy with regard to western wheat. I refer to the recognition of the storage difficulties we have out west and the fact that the government is already doing something in that regard. This royal commission will be a great benefit to the people of Canada in this particular sense, as far as I am concerned.

When these various national issues are discussed among the people, to me it has always been a saddening thought that we are

obliged to discuss them on the basis of politics. In doing so, naturally every part is obliged to emphasize its particular angles and sometimes that emphasis is placed disproportionately having regard to the facts. I do not know of any other sphere of public discussion in which the facts take such a beating as they take on a political platform. I have always tried to keep the facts more or less in line.

Mr. Argue: More or less.

Mr. Mang: I am afraid it is less from over there on the other side. The facts take a beating.

Mr. Ellis: Especially at Liberal meetings.

Mr. Mang: When you have a commission of this kind making a factual survey and study of the issues that are involved in making this a prosperous and happy nation, we should have a high respect, shall I say, for the facts involved in any particular part of any discussion of our economy. Therein, to my mind, lies the real value of that commission. The submissions are impartial. The commissioners are impartial. We are apt to get facts that we can present to the public and then, upon that presentation, we can have an assessment as to what our proper course of action should be.

Just in order to keep the record straight, I should perhaps deal with two or three references, all of them kindly, that have been made to me. One was made by my good friend the hon. member for Vancouver-Burrard (Mr. MacDougall) who honoured me by describing me as a dirt farmer. I might say that for most of my life I have been engaged in farming in the pioneer constituency of Saskatchewan, namely Qu'Appelle. During that time I have had varied experiences. The ups and downs of farming have hit me as much as they have hit anyone else. I am pleased that he referred to me as a dirt farmer. Of course that is an expression we have out west. It does not necessarily mean that you work without gloves or anything like that. It means that your visible means of support is the acres you cultivate.

I make reference to what the hon. member for Vancouver-Burrard said for another reason. He stated that last year in the budget debate I indicated that the western farmer was not bankrupt. I still hold to that view, because to be bankrupt is to have your assets completely wiped out. There is a difference between being bankrupt and being short of cash. Many big businesses are short of cash although they are far from being bankrupt. I would add that I wish he had quoted me at greater length because, as reported at page 3105 of *Hansard* of April 22 last year, what I said was this:

> We are far from bankrupt in western Canada. Indeed, our wealth is quite substantial . . . but at the moment we are short of cash.

That was last April. I felt that I was stating the facts, and I felt it my duty to draw to the attention of this house the fact that we were short of cash. Then I gave reasons, and so forth. I wish the hon. member had quoted that part. I wish he had gone on and quoted the other problems with which we are confronted and with which I dealt with at that time. I said that in this economic adjustment we were called upon to make in the international markets of the world, the farmer was taking the lead. I quoted from the wheat board report to show that we had dropped our price by 32½ cents on the basis of No. 1 Northern, and that the prices of the goods we had to buy—because of higher profits and higher wages—had increased by an average of say 9 per cent; that this widening gap could not continue; that if it did, there would be only one answer.

Of course we farmers in this country are not alone in that kind of situation. You have it in practically every agricultural country in the world. With all the touting of the agricultural policies across the line, you have it in the United States. You have the farm problem as the No. 1 problem in that country. In spite of all the measures which are being used and which we are asked to copy in this country, nevertheless the farm problem is the same. In similar way I can quote from reports with regard to India. In India you have the same trend.

All of this means that we must work out and adopt some national policy with respect to agriculture, or must improve the national policy with respect to agriculture as these difficulties arise. This government is taking steps to do so—

Mr. Nicholson: Too little and too late.

Mr. Mang: —and will continue to do so. There was a statement made by the hon. member for Moose Mountain (Mr. McCullough) with which I could not quite agree. He stated that the western farmer today—since the hon. member referred to me I am taking the liberty of referring to him—is in the worst cash position in which he has ever been.

An hon. Member: Don't you agree with it?

Mr. Mang: No. That is not the case, because I farmed during those hungry thirties when not only did we have no cash—

Mr. Ellis: And you had a Liberal government then, too?

Mr. Mang: We had it in Saskatchewan, too. I remember the time when not only did we have no cash but in some areas of Saskatchewan we did not have enough to eat. Those were the days of real depression. At that time we were bankrupt because we owed about $600 million, our machines were worn out and our clothing was worn down. A great percentage of our women were using flour sacks for dresses. We had cod fish shipped in from Nova Scotia. The farmers were in distress. It is for that reason I tell the hon. member for Moose Mountain that we are not in that position today.

Now, what is the position? Perhaps at this point I should mention another member, the hon. member for Saskatoon (Mr. Knight), who stated he was very sympathetic toward me in connection with the largest protest meeting held in Saskatchewan. At that time I was speaking along with my distinguished friend the hon. member for Assiniboia (Mr. Argue) and the Liberal leader in the province, Mr. McDonald. The hon. member for Saskatoon said he was sympathetic toward me, and I thank him very much for that. However, I had feelings of sympathy as well at that meeting. My feelings of sympathy were directed toward the facts. If you ever heard a manhandling of facts, I think that was the place they got it. At that meeting I tried to deal with the situation as we have it in Saskatchewan, and perhaps the hon. members might be interested, just briefly, in that discussion of the cash shortage, which I mentioned last year and which has been mentioned very often this year.

I pointed out that while this shortage was generally prevalent in Saskatchewan, that did not mean we were bankrupt as Saskatchewan farmers. After surveying the situation and having many discussions with many people, farmers, elevator men, businessmen and anyone with whom I could talk, I found that the difficulties arose largely from the fact we were not able to make the usual deliveries because of congestion in the storage facilities and box car difficulties.

Our farmers could be divided roughly into three groups; the hon. member for Assiniboia will remember I said that. There was a small percentage who were not in immediate need of cash and would not take it regardless of the form in which it was available, whether through elevators or banks. Then there were those people who for several years now had had their land flooded and had neither wheat nor credit. They were unable to cultivate their land to any extent last year. Those people were the ones who were really in great difficulties. Then there was this large group in between who, while not bankrupt, were short of cash.

This situation was presented at the Saskatchewan conference and was the outcome of the situation I just mentioned, the delivery situation. It was dealt with at Saskatoon but there was no unanimity in the presentation of the case to the government down here, and that is one of the reasons for cash being made available through the banks. It results from the lack of a positive recommendation in that regard.

When I spoke at the Regina meeting which I just mentioned I made reference to that; I pointed out that in the west we were divided into different factions in presenting our case. We were divided politically in the west. I need not mention it here, but the Social Credit is in control in Alberta. in Saskatchewan we have a socialist government, and in Manitoba we have a Liberal administration. Politically we were not united, and the united farmers and the wheat pool did not see eye to eye on a good many things. Then the delegation came here with that form of presentation. The government here had to decide for themselves the best and most immediate way to make cash available.

Mr. Ellis: Do you agree with that policy?

Mr. Mang: Those were some of the things I stated. Of course the meeting had been called as a protest meeting. It was one of those protest and demand meetings. You know, we are often short of facts at those meetings. As I stated before, when I was invited to speak I had a set of these ready-made resolutions presented to me. They were presented to the other delegates, too. At that meeting there were some 900 or 1,000 people. As soon as the political actors were off the stage, including myself, there was about 25 per cent of the people left, and in the dying minutes of the meeting those resolutions were passed.

I say that because when you want to get something done, whether or not you get what you are after depends upon how you go at it. This attitude of trying to bulldoze this government into doing certain things through the medium of protest and demand simply does not work. I think perhaps I had just as much influence as all the protest and demand meetings that were held out there. During the middle of October I made a trip to Ottawa with regard to this matter of the

western economy and had a very nice interview with the Prime Minister, with the Minister of Trade and Commerce, and with the Minister of Finance.

Mr. Argue: Did you ask for bank loans?

Mr. Mang: I wanted to get that on the record. What I asked for was that cash be made available in the most practical way and the speediest way possible. If those conditions are fulfilled by handing out cash through the elevators I will be quite satisfied. What we want is the fastest possible action.

Mr. Argue: Does the hon. member believe in the 5 per cent interest rate?

Mr. Ellis: Is the hon. member satisfied with bank loans?

Mr. Mang: I have not taken out one yet; I may have to when I get back.

Mr. Ellis: The hon. member is satisfied with the policy?

Mr. Mang: As of now, yes. Now, go ahead and quote me in your next broadcast. Let me point out that in an emergency such as now exists—

Mr. Argue: We now know why we have the bank loan. The hon. member has given the answer.

Mr. Mang: No, I did not ask for bank loans. The hon. member for Assiniboia is a past master at mangling and mutilating facts. The hon. member—and I have heard him over and over again—belongs to that cult which believes that the only way you can get anything done is through protests and demands. During the past summer he did his level best to organize a mass march on Ottawa. One of his keenest disappointments was that he did not succeed. I heard him make that statement at the Regina meeting, and it was widely carried in the press. He did his level best to organize a mass march on the basis of protests and demands, and thereby force the issue. Probably he would have been chosen leader. I did not want to go into all these things, but since he has brought them up I thought I should refer to them.

I hold in my hand a clipping from a western paper which reads:

> Mr. Argue was described as the farm expert among the federal C.C.F. group, but he was supported on the platform by Roy Knight, M.P. for Saskatoon; Hon. J. H. Sturdy and Arthur Stone, legislative members for Saskatoon; and Robert Walker, M.L.A. for Hanley.
>
> The federal government's plan to guarantee bank loans to farmers in the present crisis was condemned by Mr. Argue. He said farmers would be called on to pay interest on their own money and when they started to mortgage their income, they were finished. They would only get deeper into the economic morass.

I do not want to quote it all.

Mr. Knowles: Go ahead.

Mr. Mang: I do not want to take up the time. At the Regina meeting—

Mr. Knowles: It is better than your own speech.

Mr. Mang: —the hon. member for Assiniboia said, "What is left now is a march on Ottawa." Those were some of the tactics used. Once the socialist government in Saskatchewan has nothing to protest about or no demands to make, socialism will disappear from the prairies. In every election out in the west thus far the socialists have attained power on the basis of protests, and the individuals from that party have obtained seats in this house in the same way.

Mr. McCullough (Moose Mountain): Democracy cannot work in any other way.

Mr. Mang: I have been sidetracked.

Mr. Knowles: You would have done better to stay with foreign affairs.

Mr. Argue: Did the hon. member ask the Prime Minister for cash advances?

Mr. Mang: Many policies have been discussed. There are many ways in which the economic situation with respect to surpluses could be improved in Saskatchewan. There have been surpluses in the world in the past, and we have had surpluses in Saskatchewan. Our economy is so based that we must have a certain amount of surplus at times. Our yields fluctuate. We can drop something like 200 million bushels in our yields in one year. That was clearly illustrated by last year's record and this year's record. Those wide fluctuations have created surpluses, the statistics of which are on the record, and I will not go into them. Our friends across the way have always had some solutions. They are the greatest ones for dreaming up resolutions of any party we have had in western Canada. I should like to quote something I saw the other day.

The Acting Speaker (Mr. Applewhaite): Order, I am sorry to interrupt the hon. member, but I am afraid there will be no time for quotations. He has exhausted his time.

Mr. C. E. Johnston (Bow River): Mr. Speaker, of all the subjects mentioned in the speech from the throne, to my mind the most important is that which deals with agriculture. The speech from the throne indicates that the government recognizes some

of the injustices done to agriculture, and they are going to make some small effort to recompense the farmers for some of their losses.

I wish to refer to that for just a minute, Mr. Speaker, because this is one place where I should like to congratulate the government. I congratulate the government on their endeavour to bring in legislation to relieve the farmer of the necessity of having to pay storage on an abnormal carryover. The carryover will amount to about 178 million bushels this year, and the government has suggested that the farmers should be compensated in some way for that cost.

The storage charges on this carryover have gone from 8 cents a bushel to 10 cents a bushel. Last year they were around 16 cents a bushel, and they could go as high as 20 cents. That means a cash outlay by the farmers of about $30 million. The government have at long last recognized that this is an imposition, and they suggest in the speech from the throne that the farmer should be compensated for this loss. They are to be commended for that, Mr. Speaker. Now that they have recognized the farmer has been unjustly penalized and forced to carry over this abnormal surplus from year to year, it is only right and proper that the government should compensate the farmers for the losses they have sustained in this respect over the last two, three or four years. It would mean that the farmers would have about $50 or $60 million coming to them in compensation, which they have had little hope of receiving up to the present time.

I now want to turn to the more immediate problem in agriculture. Throughout this debate great emphasis has been laid on the condition of agriculture. It is not just some mere passing fancy. Proof of the economic condition of agriculture has been definitely established. The dominion bureau of statistics stated just recently that in 1951 the income of the prairie farmers amounted to $1,127 million; in 1952, it was $1,082 million; in 1953, it was $884 million; in 1954, it was $376 million; and the bureau estimates that in 1955 the income will be still lower. According to the *Albertan* of November 25 last, the Alberta wheat pool has stated that farm income dropped 55 per cent between 1951 and 1954, and they, too, forecast a further drop in 1955.

If this is not a tremendous loss of income to the farmers, I should like to know what it is. It is not merely being short of cash. This represents a definite loss, and no one could argue otherwise. The provincial bureau of statistics reports that the Alberta farm income was nearly $3 million lower during the first eight months of 1955 than it was in the same period in 1954. That is the income for just one province and surely that is not "just being a little short of cash". This is definite and positive proof that the agricultural industry throughout the western provinces is facing a difficult situation indeed.

It has been stated over and over again in this house that the farmers are in dire need of cash. Throughout the fall I visited different parts of my constituency at the request of organizations which were holding protest meetings. The farmers are reluctant to hold protest meetings in my constituency but they did it this time because circumstances forced them to do it. The meetings that were held were certainly of a non-political nature. As far as I am aware these meetings were not called by any political organization, that is in the sense of a political party. It is true that various political parties were represented there, but when one finds farmers being forced to sell their grain to machine companies for as low as 60 cents a bushel, and in a great many cases, 75 cents a bushel, one can well understand that the farmers are becoming hard up for cash.

It was, of course, against the law to sell grain to machine companies who in turn sold it to feeders, but what were the farmers to do? The situation was common knowledge; therefore no one was going to lay a complaint. Certainly the federal authorities would not lay a complaint, nor did they; because it was as a result of their policy that the farmers were forced to sell their grain at such tremendously low prices, with disastrous results for a great many farmers. It seems queer that in the face of such huge surpluses the federal government, after all these years, has no policy by which it can adequately dispose of these surpluses.

Do not think for a moment that the situation I have described is imaginary. There are places in the world where people are desperately in need of assistance, and it is so reported by the Edmonton *Journal* on October 17. They quote a statement made by the United Nations food and agricultural organization. As you well know, that organization was set up and designed purposely to do away with huge surpluses of food in view of the want existing in the world. The Canadian government did not give their support to this organization, and we in this House of Commons can take the credit for contributing in a large measure to the holding back of the otherwise successful efforts of the FAO. I will now read what this organization had to say:

> Seventy per cent of the world's population will go to bed undernourished tonight.

Huge surpluses glut warehouses in a lucky few countries while the world's dinner pail scrapes close to the bottom in vast areas. Millions are hungry.

At this point they raise the question, what are we doing about it? However, that is not the only place where people are destitute and we can find an instance closer to home. The *Albertan* of October 31 reports an instance in the United States. Let me read just a section:

Chronic Poverty Still Rife in U.S.—

Many Americans are still chronically poor despite general prosperity, a congressional staff report said Sunday. It said this poverty endangers the future economic strength of the nation.

In general, the study pointed to the south, farms, and the non-white population as areas having a disproportionate share of poor folks. But there are depressed areas outside the south, and in cities as well as on the farm.

The report was written by the staff of the joint committee on the economic report, the major economic study group in congress. It was prepared for a subcommittee, headed by Senator John Sparkman (Dem. Ala.), which from Nov. 18 to 23 will hold hearings on the problems of poverty.

I can vouch for the accuracy of a part of that statement because I visited those areas and saw that poverty was rampant there. We do not have to take the word of the FAO, nor do we have to go to the United States to find great want and poverty. We can find it in the city of Ottawa and in the city of Hull. There is not a province in this country which does not have people who are destitute and in want. Our old age pensioners, for example, are required to live on $40 a month. Because of the policy of this government we are unable, under this outmoded financial system, to raise sufficient cash to enable these people to buy one additional loaf of bread when they are so greatly in need, despite our huge surpluses.

Who is to blame for this situation? We talk about being wealthy. Our gross national product this year will be over $26 billion, yet we require our old age pensioners to eke out an existence on $40 a month. What is the solution? The only solution this government has is the one offered by the Minister of Trade and Commerce the other evening, when he was vying with the Progressive Conservatives to see which of them had reduced the acreage the greater. Curtailing production seems to be the only answer of this government. I would like to read the words of the minister recorded at page 125 of *Hansard:*

The suggestion was made by the hon. member for Prince Albert (Mr. Diefenbaker) that we immediately adopt the soil bank plan of the United States government. I suppose he thought that would be a new plan. We in Canada invented the soil bank plan back in 1941.

[Mr. Johnston (Bow River).]

"We", of course, refers to the Liberals. He continued:

We paid our producers to take their acreage out of wheat and put it into coarse grains or summerfallow. As a result of that policy, we reduced acreage in wheat from 27¾ million acres in 1940 to 16 million acres in 1943, a reduction of 11¾ million acres. During the year 1955 only about 20 million acres are planted to wheat, which is a reduction of 7¾ million acres planted to wheat since 1940.

This is the government's policy, despite the fact that millions of people are going to bed hungry every night. The government stands up and brags about it as if that would solve the economic problems throughout the world and make it a better world in which to live.

I noticed when the minister was speaking that rather than place the blame where it belongs, on the policy of the Liberal government in getting rid of our surpluses, he attempted to blame the C.C.F. and the Social Credit parties for being frightened of surpluses. I shall, of course, let the C.C.F. speak for themselves, but I must point out that has never been the policy of Social Credit.

Mr. McCullough (Moose Mountain): Nor of the C.C.F.

Mr. Johnston (Bow River): In January of this year the Social Credit caucus issued a report through its magazine "The Canadian Social Crediter" which said:

It is obvious that the federal government does not have the answer to surplus production. We do not look upon surpluses as a calamity. It is only when we bungle the handling of them that they become such. If we provide proper storage, widely dispersed on the farms, and are prepared to use the national credit to finance the cash advances against the surpluses so stored, these surpluses can become a blessing to our country and the world in the years ahead.

As a long range program towards a permanent solution to the problem of surplus grain production the Canadian government should undertake a vigorous sales campaign to sell our surplus agricultural products to other nations requiring additional food supplies. To this end we should be prepared to enter into barter deals, credit deals and to accept at least some currencies of the importing countries in exchange for our surplus grain.

That certainly gives the lie to what the minister said the other day in regard to the policy of the Social Credit party in respect to surpluses. Social Credit policy is designed to take care of surpluses, while the policies of the old-line parties, both Liberal and Conservative, are designed for and function only in connection with scarcities. Let there be no misunderstanding about that.

It takes a great deal to convince the Minister of Trade and Commerce that the western farmer is in difficulty. During the summer and fall, as I have indicated already, I was home and attended some of these

meetings. Some were held by the F.U.A., which is a non-political organization made up of all political classes throughout the west. They passed resolutions which were forwarded to the Minister of Trade and Commerce and some to the Prime Minister. Meetings were held by chambers of commerce, one being at Gleichen. I was invited to that meeting, which passed a resolution which was sent to the Minister of Trade and Commerce and the Prime Minister. Then farmers held meetings on their own; in all these cases resolutions were forwarded to the Minister of Trade and Commerce and the Prime Minister. I have not the time on this occasion to read them all, but I have them here and in passing I should like to say something about the requests made in these resolutions.

Most of them ask that 90 per cent of the initial payment be advanced. That was not an unreasonable request. Then they asked something in respect to the interest rate. They said that no interest should be charged, but in any case that it should not be greater than 2 per cent. They had two reasons for that. The first was that it was just an advance on their own grain, and the second was that the provincial government of Alberta had loaned money to municipalities at 2 per cent on self-liquidating projects. They reasoned, and quite properly so, that if the provincial government with its limited resources could lend money at 2 per cent then surely the federal government with its vast resources could lend money at not more than 2 per cent.

They asked also that we extend our sales program to cover a wider field for the sale of our wheat. In doing so we must be prepared to accept local currencies in payment for some of that wheat, that being particularly true of Great Britain. Then we must be prepared to accept some barter deals. It must be remembered that when we ask other countries to buy from us we must be prepared to buy their goods. Not one of these things asked by these meetings was unreasonable.

Then there were other organizations that asked certain things of the government. Here is one presentation which was submitted to the government with respect to the urgent need for cash advances on farm-stored grain. This is dated October 11, 1955 and is in the form of a submission to the government. Who signed it? I want to put these names on the record because I may refer to them later on. This was presented by:

Alberta department of agriculture
Manitoba department of agriculture
Saskatchewan department of agriculture
Saskatchewan wheat pool
Manitoba farmers' union
United grain growers
Saskatchewan federation of agriculture
Manitoba federation of agriculture and cooperation
Alberta federation of agriculture
Saskatchewan farmers' union
Alberta wheat pool
Interprovincial farm union council
Alberta farmers' union
Manitoba wheat pool

What did they ask for? I quote from page 5 of this brief as follows:

—for advances to farmers on grain in store on the farm . . .

Then further it states

While the principle of cash advances on farm-stored grain was unanimously endorsed—

Notice that; unanimously endorsed:

—by the organizations present at the conference, various proposals were offered on the mechanics of making those advances.

There surely is evidence as to the need that the people of western Canada were asking this government to consider. What did the minister do? From almost every walk of life throughout the entire west he received the same request, but did he accept that? No, he did not. That was not eastern Canada, Ontario or Quebec, asking for something. What did he decide to do in the face of that evidence? I quote from page 127 of *Hansard* of January 16, where he is reported as follows:

I went to western Canada for one reason only, namely to see just what the situation was there and the extent to which it could be remedied.

He was not taking the word of these different organizations I have mentioned. And further down:

I made up my mind that something should be done to assist the farmers—and particularly the small operators—to finance themselves until marketing could return to normal. I recommend to the government that the system of loans that was used in 1951 be made available again this year.

And again:

The government decided the only practical way to handle the matter would be to arrange guaranteed loans from the chartered banks.

That is what the minister was not asked to do by 90 per cent of the people out west, but that is what he decided to do after having gone west. He recommended the plan that was in operation in 1951; that was the solution of the government. You will notice that in the submission I read and in the resolutions presented to the minister and the Prime Minister, most of them asked for advances, but this is what the minister said in regard to those appeals:

Recently there has been a great drive for advances on farm-stored grain.

And again:

Who are its supporters? The supporters are the enemies of marketing through the wheat board.

That is what the minister is saying of the departments of agriculture of Alberta, Manitoba and Saskatchewan, the Saskatchewan wheat pool, the united grain growers and all these different organizations. How ridiculous can we get in this house? Those are the very organizations which fought for the creation of the wheat board despite the minister's protests when he first took it over. Those are the organizations which are being accused of being saboteurs of the wheat board. Could anything be further from the truth? The minister knows there is not an organization in western Canada that is asking that the wheat board be done away with.

The minister went west to get out of giving advances to the farmers at low rates of interest. When he came back he said he had decided to give loans at 5 per cent regardless of what these different organizations had asked for. That is what he did. The explosive issue in the west is the interest rate. Western farmers with huge stocks of grain on their hands in the midst of a wheat glut have asked for cash advances from the Canadian wheat board or bank loans at low rates of interest. I suggest that so far they have not got that.

Now let me speak about the interest rate and the minister's views in that regard. As reported on page 127 of *Hansard* of January 16, 1956, he said:

> It has been said that the interest rate is too high at 5 per cent. I have been a borrower from banks all my life, and I have never yet succeeded in borrowing money from a bank at less than 5 per cent.

He must be a very poor businessman, though he may have accumulated millions, because I have borrowed money from banks at less than 5 per cent. What was my guarantee? The dominion government. What is the guarantee for these bank loans? The dominion government. I have borrowed money from banks at 3½ per cent with a dominion government guarantee, a dominion bond. What is behind a dominion bond? The dominion government. What is behind these bank loans the banks are going to make to the farmers at 5 per cent? The dominion government. But the farmers have to pay 5 per cent on this. Yet the minister says:

> I therefore cannot be too greatly concerned about objections to guaranteed loans bearing an interest rate of 5 per cent.

It is merely an excuse to give another handout to the chartered banks. Believe me, the chartered banks do not need much of a handout. They can look after themselves quite well. According to the *Albertan* of Wednesday, October 26, which says "Two Banks Hike Dividend Payments", let me show you how hard up the banks are. This report says:

> Two leading Canadian chartered banks, the Royal Bank of Canada and the Bank of Montreal, Tuesday announced increases in dividend payments for the current quarter.
>
> The Royal Bank of Canada announced an increase of 7½ cents to 45 cents from 37½ cents in addition to a bonus of 20 cents a share, payable December 1, 1955, to shareholders of record at the close of business, October 31, 1955.
>
> Bank of Montreal announced shareholders of record October 31, 1955, will receive an extra dividend of 20 cents a share on $10 par capital stock, payable December 15, 1955, as well as a quarterly dividend of 35 cents, an increase of 5 cents. The regular dividend is payable December 1, 1955.

This shows that the banks are quite capable of looking after themselves. Yet the government comes along with a guarantee for the banks to take a mortgage on the grain, and the farmers have to pay 5 per cent. The minister says he is not worrying too much over them anyway. Perhaps the minister has been influenced by some of the presentations made by Liberal members of this house who have spoken about the condition of western farmers. Perhaps he should not pay so much attention to them.

I do not think it was ever the intention of the minister that the farmer should use this facility to any great extent. In fact I am quite positive of that. What did he say in regard to it? As shown on page 129 of *Hansard* of this session, he said:

> Apart from that, it did not seem to me that there was any particular burden on the farmer through this condition of plenty.

The reference was to the question of storage. He disbelieves all the provincial departments of agriculture. He goes out west, comes back and says, "I do not think that there is any particular burden on the farmer through this condition of plenty." He was basing his plan on the 1951 plan. He knew, when he did that, that only 1,500 farmers took advantage of that plan, and they borrowed only $625,000 altogether. Why? Because the interest rate was too high and they could not afford it. Now, in spite of all this objection, 2,200 farmers have so far taken advantage of it, and over $2 million has already been loaned—more than that, I suppose, if we had the up to date figures. That shows whether or not the farmers are merely a little hard up for cash. They are in dire need of cash or they would not be going to the banks.

I said a moment ago that the federal government had no expectation that farmers were going to use this plan to any great extent. I can give you no better authority than the statement made by the Minister of Trade

and Commerce in Calgary, as reported in the Calgary *Herald* of 28th November, 1955. He said:

> It is my hope and belief that comparatively limited use will be made of the lending facilities, that most farmers are either in a position to carry on without borrowing, or are in a position to finance in the ordinary way.

That should give everyone a clear understanding of what was in the minister's mind when he made this proposition regarding loans to farmers. He never intended it to be used. He certainly was not carrying out the requests of the organizations throughout western Canada.

The minister has said that the Social Crediters have no plan. Let me review quickly what we have suggested from time to time. The Social Crediters have advanced the two-price system. We were the first to mention it in this house or anywhere in Canada. We have suggested the extension of markets by the acceptance of sterling, particularly from Great Britain, in part payment, and the acceptance of barter where necessary. We have suggested too that provision be made for a normal carryover in case of need during crop failure years, the storage to be paid on that carryover by the federal government.

I have not the time to speak about other things that are important, such as old age pensions, and the conditions existing in the Banff national park. I have not the time to speak about the trans-Canada highway, about which I should like to speak. I have not time on this occasion to go into the question of the coal mining industry, which has been so depleted in western Canada. These questions will receive attention when the proper time comes.

(Translation):

Mr. Raoul Poulin (Beauce): Mr. Speaker, I gladly join previous speakers in this debate in congratulating the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I am quite sure that their respective constituents will be proud of their representatives and also—at least I hope so—of their speeches, which will serve as models and leave a happy impression on the general tone and level of debate in this house.

In the course of these remarks I intend to express a few personal views on the agricultural problem in Canada, and on nothing else. According to the census of 1951, the farming population in this country, and I don't mean the rural population but only those people who live directly from agriculture, is 2,911,996. If we add to this figure the number of those who live indirectly from agriculture, we would certainly reach three millions. The dairy industry alone numbers about two million people, heads of families and dependents, who earn their living directly through it, while an additional 370,000 people earn their living indirectly from dairying. All this goes to show that, at least as far as mere numbers are concerned, the agricultural class in this country occupies a highly important place. But what at this time, is its economic position? Is it sharing in the general prosperity about which such proud boasts are being made, and rightly so, in this country? Is it benefiting as well as the individuals of the other classes from the general buoyant state of the economy? The answer is clearly no. In this connection I should like to quote two opinions.

First of all there is that of Mr. J. Edouard Labelle, president of the Provincial Bank of Canada. This view was expressed at the 55th annual meeting of shareholders.

> Unless very particular measures are taken to improve the economical state of the agricultural industry, the widening of the price gap between agricultural and industrial products would most certainly lower the standard of living of a large section of our population while, at the same time, improving that of many other groups of citizens. Such a situation would hardly be tolerable, neither from the point of view of the general good, nor from that of justice and equity.

And here is now the opinion expressed by Mr. A. C. Ashforth, president of the Toronto-Dominion Bank, at the last general meeting of the shareholders.

> Profits obtained in the field of business were widely spread over our entire economy. If there was a weak point, it was in the field of agriculture. I am not referring to the volume of our agricultural production, which was great, but to the differences between prices of agricultural products and those of industrial products and also between farm income and that of city dwellers. This tendency is not new, but its persistency is troublesome.
>
> Agricultural prices and income have remained weak as compared with the greatly increased revenues of other sectors of the economy. In 1951, farmers received more than 12 per cent of the national income; today, they are getting about 7 per cent.

I know, Mr. Speaker, that comparisons are seldom fair and sometimes invidious. Nonetheless, I shall attempt a comparison between the farmers' situation and that of salaried workers. From 1951 to 1954, inclusively, the individual income of salaried workers in Canada increased by nearly 17 per cent. This information is taken from a statement made by the present Minister of Finance (Mr. Harris) and quoted from the record of the 1955 session, at page 2794. In the same statement, page 2773, the minister admitted

a reduction of nearly a third in the net income of farmers for a single year, namely from 1953 to 1954.

On the other hand, if we refer to the Statistical Review of June 1955, we find that, for the whole period 1951 to 1954, while the income of salaried workers increased by 17 per cent, the net income of farmers decreased by 47 per cent.

I am very glad for our working class that, on the average, salaries have greatly increased but I regret the sad plight of our farmers who, during the same period, have seen their returns decrease by an alarming percentage.

The farmer, just like the wage earner, is a consumer as a householder but he is also a consumer, and to a much greater extent, as the head of a farm.

Now the price of all he needs to run his farm is constantly going up while the price he gets for his products is going down. For instance, according to the figures provided by the Canadian Federation of Agriculture, in a brief submitted by a delegation that came down here in Ottawa on March 3, 1955, we have the following comparison which is very illuminating on that question: the wholesale price of farm products in 1951 was represented by the index number 190.

In 1956, that figure was down to 154, a decrease of 19 per cent. On the other hand, during the same period, the price paid by the farmer for the goods and services he buys is represented by the index number 173 in 1951, and 177 in 1954, an increase of 2·3 per cent.

In short, for the same period, the price of what the farmer has to sell shows a large decrease and the price of what he has to buy shows a small increase.

When speaking of price increases one naturally thinks of the prohibitive level at which we now find the prices of feed, fertilizers, and farm implements.

One thinks also of the price of seed which in 1954 and 1955—and I imagine that the same thing will happen again this year—went up considerably due to very poor weather conditions.

On this point of seed grain in particular, I received numerous resolutions and appeals which were also transmitted to the federal government and to the right hon. Minister of Agriculture (Mr. Gardiner) for help in buying grain. The Catholic farmers' union of Ste. Clothilde de Beauce, the councils of the municipalities of St. Jules and St. Victor, the municipal corporation of Beauce county, which is, after all, one of the most important bodies in my county, were among the institutions which sent me those resolutions.

[Mr. Poulin.]

The sale of pork even if it is protected by a floor price of 23 cents, surely does not bring in returns representing adequate compensation for the many hours of work the farmer spends looking after his herd. In my humble opinion, this price should be brought up to 26 cents.

The position is still worse with regard to the sale of lamb, veal and beef, and I do not hesitate to state that this sector too should be covered by a floor price that would ensure a reasonable income to the farmer in exchange for his work and that would stop speculative manoeuvres from entering the picture, with the result that the consumer is obliged to pay an exorbitant retail price for meat that has been bought at a ridiculously low price from the primary producer.

If we look at the position of the apple or potato producers of the maritimes, we feel hardly more reassured, and I also favour perhaps more efficient measures that would help these specialized producers.

And what about the western wheat producers? I must admit that I have never had more sympathy than I should for those farmers who, from time to time, like everybody, perhaps, have to face considerable difficulties. Yet, I think that their present position is serious enough, and I hope that the legislation announced in the speech from the throne will be able to settle their problem which is certainly of national scope.

I do not want unduly to darken the picture of our farm problem, but I think that it would scarcely be exaggerated to state that, on the whole, Canadian farmers are badly off. I am not saying that the government failed to take action in the matter, or that it did not try; far from it. Something more must be done however or we must proceed in some other way, this last suggestion being probably the better of the two.

I have said nothing yet about the dairy farmer. I concede that, so far, he has enjoyed some protection but I shudder at the thought that, sooner or later, under unmanageable pressure, the right hon. Minister of Agriculture (Mr. Gardiner) might give up his policy of price support for butter, a policy which I humbly suggest is embodied in one of the best pieces of legislation enacted in the last few years. Farmers are, however, rightfully apprehensive because in 1952, the support price was established for a period of three years while last year it was extended for one year only. Even if, in fact, this legislation were renewed each year, the procedure followed is unquestionably wrong since the dairy farmer never knows just where he

stands from one year to the other and has no definite information on which to rely for the management of his business. That is far from being comparable to the request of industrial workers for a guaranteed annual wage.

However, we may rightfully believe that this step has become necessary, at least partly, because of a refusal to deal realistically with the problem of butter substitutes. I have stated on several occasions, but I want to repeat it once more, that price support legislation on butter has not been detrimental to workers or salaried people in general; on the contrary, I am convinced that it has saved them some money, although the latest sales of butter at a discount may have cost those people a few cents. Everyone will remember that in the winter of 1951-52 when dealers got hold of all the butter available at a price barely above the minimum price, they were selling it at 80 cents, 90 cents or even a dollar a pound retail.

The position would have been the same year after year if the government had abandoned its support price. Salaried people who are inclined to complain against an artificial price which they believe established for the sole benefit of the producer, would have paid dearly indeed, in certain months of the year, for the small savings they could have made during the other months.

Producers and consumers would both have had to pay the piper, because speculators and middlemen, who fortunately are not numerous, would have made a fortune at their expense. Even if the minister had no other reason to take this step, he should be congratulated for the enactment and maintenance of that legislation.

There are several other reasons which justify its maintenance, but I shall not repeat them. There is one however which I need no excuse to emphasize once again. It is the dangerous decrease in purchasing power which would occur among a large group of consumers—I said at the beginning that there were 2,370,000—if the dairy industry was allowed to fall off by a discontinuation of the price support legislation.

It has been said in certain quarters that it was scandalous to sell to foreign countries at 37 to 39 cents a pound a product for which we have to pay 63, 64 and even 65 cents. I take exception to that opinion, unless someone can show me that it would have been possible to act otherwise without completely dislocating the price structure on the local market and without ending up, although by different means with the same result, namely bankruptcy for the dairy farmer.

Oh! It is something altogether different if we want to give away our butter to our needy people or to foreign countries; it is no longer an economic problem but one of charity, of kindness and it should be considered from that angle. Under those circumstances, I humbly believe that parliament or at least the government should see to it that two essential conditions are fulfilled: first, that Canadian taxpayers can support the additional burden, because when we give something away, there is always someone who pays the shot; and second that our charitable gesture will not disrupt an important sector of our economy, thus increasing the number of needy people.

If those two conditions were met, the humble representative of Beauce county would not be far behind those who are now strongly urging us to make donations to our needy people and even to those of foreign countries.

In the meantime, let us proceed wisely and strive to avoid increasing the number of people in Canada to whom we must give assistance, as would happen if we let our dairy farmers become poverty-stricken.

I take this opportunity of congratulating the right hon. Minister of Agriculture who has agreed to sell a certain quantity of our surplus butter at 40 cents a pound, I believe, to educational institutions, hospitals and charitable institutions. This does not affect the market price, for several reasons, one in particular, that is that in some of those institutions margarine has been used rather widely. In fact some farmers also use it.

Mr. Gauthier (Portneuf): Not in Quebec!

Mr. Poulin: And speaking of margarine, it seems that the government should be blamed for its failure to do away with that product which is surely the greatest threat to the dairy industry.

Before that product invaded the Canadian market, around 1949, Canada produced approximately the quantity of butter we needed; it even happened that from time to time we were forced to import some. But that is an old story known to everyone, and to some people in particular. It is only since

margarine has been tolerated in Canada that we really have butter surpluses which are gradually increasing in proportion with the consumption of margarine. That is not surprising, since in 1949 each Canadian used 29 pounds of butter per year, while 5 years later, in 1954, he used only 20·7 pounds, that is 40 per cent less.

During that same period production of margarine greatly increased, from none at all in 1948 to 115,000,000 pounds in 1954, the average consumption being 7·5 pounds per capita for that same year. We can readily understand why butter consumption has decreased in Canada, and why we have a surplus.

But what is not so easy to understand is why the Canadian government does not take the necessary steps to decrease production or use of a substitute which, in short, such at least is my humble opinion, does not help anybody, unless it is a few large concerns. I say for the tenth time that flooding the market with margarine will finally kill the dairy industry, deprive 2,370,000 Canadian consumers of their purchasing power, give rise to a national depression and cause unemployment among workers and salaried people.

I would like to repeat here a question I asked several times, not only in the house but before the good people of the constituency I represent: do workers and salaried people at large prefer eating butter at 63 cents a pound and have jobs, or run the risk of eating margarine at 35 cents a pound while being unemployed?

The price of butter is undoubtedly too high, but one must not forget that if we take the salary average in 1939, the Canadian worker could purchase 1·5 pounds of butter with one hour's wages while in 1955 he could purchase 2·3 pounds.

On the other hand, farmers have not remained idle in that connection and they have made serious efforts to lower their cost of production. While engaging in much more intensive cultivation, thereby lowering their cost of production, they have greatly increased the number of their milch cows and their average yield. Time does not permit me to prove all this with statistics, but they are readily available.

But the farmer has gone even further: he pays for the costs of advertising to increase consumption of liquid milk, thereby causing a relative decrease in the production of butter. In that connection, I am happy to say that in 1954, the province of Quebec won first place for milk consumption per person, that is 1·03 pints per day. In 1956, $362,000 are earmarked for advertisement by Canadian dairy producers. It can therefore be said that farmers did what they could to lower their cost of production. They made an intelligent and reasonable effort, with the help of federal and provincial experts, to make available to the Canadian consumer, at the lowest possible price, a product that is gradually being replaced by another one which, in last resort, will benefit no one.

How does the outcome of this situation look to responsible people? Do they not believe that it could develop into a national calamity? Does the government consider that the problem is quite serious? It seems that we must reply in the affirmative since, in the case of butter for example, the government agrees to sell that product at a loss of 22 to 24 cents per pound and that in the case of wheat it announces legislation that will cost several million dollars in one year to Canadian taxpayers. But will the government be satisfied with that? Will it consider the possibility of resorting to other means to change the situation? Personally, I said only what I think about the matter.

Although I am expressing the feelings and wishes of the agricultural people of Beauce county, there might be other ways of dealing with the situation. It might be that the steps we are suggesting, we the humble and small people, are but stop-gaps, expedient, arbitrary remedies which sometimes succeed more or less; or are they tested and scientific remedies, the result of an all-embracing approach not only of the agricultural problem as a whole but even of its effects on the other sectors of our economy? I believe it is time we should be told.

Personally, I cannot very well lay claims to wisdom because I have been sitting here only since 1949. However, I may say that since I have come here I have not heard a single truly objective and comprehensive statement on those problems from the right hon. Minister of Agriculture. We need general directives from experts who have the facilities for investigating the whole agricultural problem throughout the country. I know that such investigations and studies should first be initiated by those concerned, but it cannot be denied that our farmers in

general have seriously undertaken that investigation; I referred to this briefly a moment ago. I also know that such investigations concern more directly provincial authorities and it must be admitted that all provincial governments without exception have given special attention to the agricultural problems of their respective areas. However, there is some advice and certain leadership that should come from higher up and which take into account the situation in the country as a whole and not only one particular district. For instance, I am thinking of the payment of subsidies for the shipment of grain from western Canada into the east, which is beneficial to the agricultural economy of several provinces and has some happy effects on the country as a whole.

This leads to the statement that the whole agricultural problem of Canada should be re-examined, taking into account modern scientific data as well as the developments of recent years in all sectors of the Canadian economy. The effects of the success or failure of these methods in a given district on Canadian citizens as a whole should also be taken into account. This is undoubtedly a matter for the experts of the central government.

May I add that this should not affect in the least the freedom and prior rights of the provinces in matters pertaining to agriculture.

Before concluding my remarks, I would like to add a few words about an agricultural industry particular to eastern Canada and especially to the province of Quebec and even more so to the constituency I represent in the house, namely the maple sugar industry.

The following figures give some idea of the extent of that production. These statistics are for 1951, that being the last year for which, unfortunately, the data which I need is complete.

The revenue from this source for 1951, was as follows: For the whole of Canada, $8,555,000; for the province of Quebec, $6,797,000; for the county of Beauce, $943,716. That is close to a million. I can say that in 1954 and 1955 the figures must be somewhat over a million. There are sugar bushes on 2,086 farms of this constituency, out of a total of 4,465. That is to say that 46·7 per cent of farmers take part in this type of activity which, according to the 1951 figures—and the corresponding figures would be larger for the last few years—has brought them an annual revenue of $452.40, this revenue being 13·9 per cent of the total figure for this production for the province of Quebec and 11 per cent of the total for the whole of Canada.

The county of Beauce ranks first among counties producing this commodity in Canada. The second on the list is that of Megantic, whose production is valued at 77 per cent of the first.

It will therefore be easy to understand how important that product is for the farmers of the constituency I represent.

For those who are unfamiliar with the situation, let me explain very briefly how it happens that the maple sugar industry appeared in the public accounts of the government.

The Food and Drugs Act states that there shall be no obnoxious or poisonous substance in these products. Well, it was found in 1936 that Canadian maple products contained traces of lead. If I am not mistaken, the United States, our largest customer for those products, were the ones to point out this anomaly. Shipments were stopped immediately and the whole industry was threatened by ruin. It was found afterwards that the presence of lead in maple sugar was due to the solder used in the manufacture of the sap collecting-pails. All those therefore had to be changed. After lengthy research, it was found that, to prevent the presence of lead in maple sugar, it was necessary to use aluminum pails.

However, this change was a very costly undertaking and the farmers could not finance this overnight.

It was then that an appeal was made to the Quebec and Ottawa governments. It was decided that the cost of replacement would be shared equally, one third by each government and one third by the owner of the sugar bush.

Thus through the co-operation of the governments concerned equipment has gradually been renewed since 1941. In recent years, Canadian parliament has approved the following expenditures in that connection: 1952-53, $500,000; 1953-54, $300,000; 1954-55, $100,000; and 1955-56, 0.

The Quebec legislature has spent similar amounts, except in 1955-56 needless to say, so that until 1955 the Quebec provincial government and the Ottawa government had each spent $3,500,000 thus permitting the renewal of 17,308,823 pails out of a possible total of 21 to 22 millions. The Quebec government has maintained its policy and is still paying one third of the cost of replacement. The federal government gave up its program when the 1955-56 budget was brought down. There are still therefore a small number of these producers who will not benefit from the same advantages as others and who will be unable to deliver their product on its natural market. I do not see why the government

which, for a dozen years, took part in this program, would not, for two or three more years, be as generous as it has been in the past in order to complete a piece of work so well begun, a work which has been greatly beneficial to a particular class of producers which really deserve a special attention.

I therefore hope that, among many steps to be taken to help agriculture as a whole and a class of producers in particular, the right hon. Minister of Agriculture will be kind enough to insert in his next budget an amount of $100,000 for the replacement of pails for collecting maple sap. Farmers of the Beauce district in particular, since they are the most directly concerned, will no doubt be grateful to him, as they have been in the past.

(*Text*):

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I wish to add my congratulations to those of the speakers who have preceded me in this debate to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I might say that I had the opportunity of getting to know the mover of the address a bit better this summer, and I was very glad that she was given the honour of moving the address. I say that, not as a large number of members have because she is a woman, but because she is herself.

Now, Mr. Speaker, to turn to less agreeable questions, I should like to say something first of all on an income tax matter. During the past year I have heard a constantly increasing number of complaints over departmental rulings that what the taxpayer considered was a capital gain was in fact taxable income upon which he was then called to pay an impost. In many cases the transaction involved took place many years previously, with the result that the man who had to pay quite a considerable sum including the interest on the money involved found himself in an extremely difficult situation, sometimes a ruinous situation, because his business had expanded or contracted, as the case might be, to the point where he found it extremely difficult to make this payment.

Under our income tax laws capital gains are not taxable. However, the department seems to have been following a policy under which capital gains in effect are being taxed in a large number of cases. The result of this is a great state of uncertainty on the part of many people as to what their situation is, and as a consequence of this uncertainty the expansion of a business or the start of a new enterprise is frequently prevented. In addition too, in many cases people get into difficulties such as the one I mentioned a short time ago.

The trouble in regard to this matter seems to be that there is no definition in the Income Tax Act of what is taxable income and what is capital gain. As a result the taxpayer is at the mercy of the officials of the income tax department and their rulings vary from time to time and from place to place, with the result that quite frequently nobody knows what the situation is in regard to any particular transaction.

The situation has grown so difficult so far as some people are concerned that they have actually told me they would prefer to have capital gains taxable rather than be left in their present position of uncertainty. That is a change in the Income Tax Act to which I do not think many of us here would be agreeable. I think the system under which capital gains are not taxable, such as we have in this country and in Great Britain, is preferable to the one which exists in the United States where they are taxable.

However, when some people consider that the system I mentioned would be better, in that they might know definitely just where they are, I think it is a good indication of how serious the situation is in relation to a large number of people. As I say, I think this could be corrected fairly readily by writing into the Income Tax Act a definition of what non-taxable gains consist of so that everybody would know where they stood.

I remember from my student days that one of the accepted principles of taxation is that a tax should be certain so that the taxpayer knows exactly what his situation is and what he is liable for. That is exactly what we do not have in Canada. At the present time, so far as capital gains are concerned, we have an uncertain tax, and as a result we have a great state of uncertainty on the part of a large number of businessmen. This is a situation which affects small businessmen and individuals in particular. It is not a matter which greatly affects large corporations, because in most cases they have the resources to meet any difficulties of that type which might arise. In view of this I would hope there would be some action at this session to clear up the present situation by legislation and put it on a more satisfactory basis.

I turn now, Mr. Speaker, to the problem of most concern to western Canada: that is the inability of farmers to market their grain, the reduced prices which the farmers receive for the grain they do manage to deliver, and the consequent drastic reduction

in income. We have in western Canada, as has been pointed out several times already in this debate, an extremely serious situation. It is one which affects not only the prairie provinces but the entire country, and the repercussions will be increasingly felt by the rest of the country as time goes on. We have had statistics put on the record several times as to the reduction in income of farmers in the west, particularly the reduction in their net income, the amount of money they actually have to spend.

I am not going to take the time of the house in repeating those statistics. Mention has also been made of the desperate situation in which many farmers find themselves, in that they are trading in their grain to implement dealers, in many cases, and to dealers of all kinds at prices ranging from 60 to 65 and 70 cents a bushel. These transactions are, of course, outside the normal channels of trade, and I presume if the situation were not as desperate as it is probably the wheat board or the government might take some punitive legal action against some of the people engaging in these transactions.

As the matter stands I think everyone is only too delighted that these farmers are able to discharge their debts and secure some of the goods they need by this means. When the normal selling price of grain at the head of the lakes is supposed to be approximately $1.70 a bushel; when the initial payment is $1.40 a bushel, and farmers are selling grain for 60, 65 or 70 cents a bushel in order to obtain sufficient cash to carry them through, it gives a pretty good idea of how serious the situation is and how desperate some of these farmers are.

In order to meet the situation the government has made only two very inadequate proposals, each of which is the subject of a resolution on the order paper and one of which will be adopted in the very near future. In view of this I am not going to deal with either of these proposals in detail, but I do wish to indicate the inadequacy of each of them to meet the problem with which we are faced in western Canada.

The first of these proposals is the loan scheme which is already in effect. It has had the main effect, I would say, of angering and exasperating the western farmers. According to the last figures we have had it is true that some 2,000 farmers have taken advantage of this scheme, and it is also true that a great many more than that have applied; and that is one of the difficulties. A considerable number of farmers, I am informed, have had great difficulty in securing loans. Many of the people who are most in need of loans, as happens in connection with most bank loans, are the very ones who have been unable to secure them.

Apart from that altogether there are two serious difficulties as far as this bank loan scheme is concerned. The first is that the amount of $1,500 is quite inadequate as far as a very large number of farmers are concerned. The other day the Minister of Trade and Commerce said he was not interested in those people who did not think $1,500 was quite an adequate sum. If he had to meet $500 or $1,000 worth of harvesting expenses, which is the case with a very large number of farmers, or if the farm were a large one it would be more than that, perhaps he would think that a $1,500 loan was not of much use. That is actually the situation. It is not sufficient to cover the harvesting and other expenses of a very large number of farmers.

The other thing which is wrong is the interest rate of 5 per cent. To the western farmer that appears as just an extra toll on what he has already earned or produced. He does not think there should be an interest rate on this loan at all; in other words he does not think it should be a loan—this is something I will come to later—but that it should be a cash advance. If it is to be a loan he considers that an interest rate of 5 per cent is greatly in excess of what it should be, considering that it is to be a government-guaranteed loan.

Apparently the government have realized that this $1,500 loan scheme is inadequate, because they have since put forward a second proposal to pay the carrying charges on what they call abnormal carryovers of wheat, which are defined as any amount of wheat in excess of 178 million bushels. This move is a good one as far as it goes, but the inadequacy of the move to meet the present situation, particularly the shortage of cash in the hands of western farmers, is shown immediately when we begin to figure out what this will mean to the average farmer in western Canada in the form of cash in his pockets. At the present time and for several months to come it will mean not one cent more in his pockets; it is not going to help his cash position in the slightest for several months. At some time in the future, several months hence, the average farmer will get from $150 to $200 more than he would get otherwise. Therefore, as I say, the scheme is all right as far as it goes, but as far as meeting the present desperate cash shortage it is no good. Even when it will be paid in the form of participation certificates or something of that sort months hence it is not going to go very far.

The fact that these are the only proposals of the government to meet the present grain difficulties shows that one of two things exists. Either there is a complete lack of realization on the part of the government as to the seriousness of the situation, or there is a complete bankruptcy of ideas as to how to deal with the situation. A week ago today the Minister of Trade and Commerce made a speech dealing with the subject I am dealing with at the moment. I am sure that speech must have occasioned a great deal of profane language in western Canada. I will wager that at least 90 per cent of the farmers who read that speech, no matter what their political complexion, engaged in extremely unflattering remarks as far as the Minister of Trade and Commerce and his understanding of their plight were concerned.

In that speech the minister complained about people complaining that there was a surplus of wheat and said that a surplus was a good thing, that he would far sooner have a surplus than a deficit. As far as abstract theory is concerned I presume we could all agree with that. Most of us would rather have a surplus than a deficit. But to the farmer who has part of that surplus sitting on his farm, in many cases exposed to the weather and in all cases deteriorating, and who is unable to get cash for it in order to meet his requirements for food, tractor fuel and all sorts of things, that surplus is anything but a good thing; it is something about which he is anything but pleased to have.

There is no use in the Minister of Trade and Commerce or anyone else dealing with these things on the basis of what you might call abstract theory as to the desirability of having a big surplus of wheat or food of any kind with which to feed the starving world. That is all very well; but as far as the man who has actually produced the grain is concerned, if that surplus is sitting on his farm and he cannot get any money for it, he is in desperate circumstances none the less. He is wondering how he is going to eat, rather than wondering how the hungry world is going to be fed. As far as we in this house are concerned he is the man we are dealing with; it is his problem we have to keep most in mind. I am very much afraid that he is not the man the Minister of Trade and Commerce has most in mind.

The minister said also in his speech that the demand for cash advances for wheat stored on the farm did not come from the farmers, that this demand came from the people in the cities and those who were opposed to the wheat board. Of all the peculiar statements the minister has made, of all what you might call the questionable and ridiculous statements he has made in the eleven years I have been in this house, that one takes the prize. It is the most extraordinary statement of all. The people whom he attacks as wanting to get rid of the wheat board, as has been pointed out before, are the people who were really responsible for bringing it into existence. If that is the best defence the minister can make then I think it would be better for him not to talk on wheat at all, because he merely acerbates the people most concerned.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Harkness: Mr. Speaker, before the dinner recess I had just begun to comment on the speech of the Minister of Trade and Commerce on wheat in this house a week ago, and had been dealing with the incredibly ill-informed statement he made that the farmers in western Canada are not asking for cash advances. On the contrary, I believe that practically all the farmers in western Canada not only have been asking for but want cash advances on farm-stored grain.

The minister went on to say that loans on grain could not be made by the wheat board, that there were too many difficulties in the way. I should like to point out that the farmers have not asked for loans from the board and are not asking for them now. What they have asked for are cash advances, which is a very different thing indeed.

I can see no real difficulty in the wheat board making cash advances to farmers on grain they have not yet delivered. It is merely an extension of what they have been doing every day for the past seven years on grain which is actually delivered. They get the delivery in the permit book and issue a cheque for it. It would be essentially the same thing for them to make a cash advance, enter it in the order book and, of course, when the grain is delivered—and there is nowhere else the farmer can deliver it except to the board—the amount of cash advance would be deducted from the value of the grain. That does not present any serious difficulty and, particularly, it does not convert the wheat board into a lending institution or a banking institution.

It is rather peculiar that a number of the western Liberal members seemed to have

changed their tune in regard to cash advances on farm-stored grain since coming to Ottawa. Out in the west they were proponents of it because practically all their farmer constituents were asking for it. Since coming here they have been following the minister's line and trying to say that cash advances are not required, are not wanted and so on. The result is that we are getting some double personalities developed among these people.

An outstanding example is the hon. member for Rosthern (Mr. Tucker). I notice there is a reprint about him having become the two-bodied or two-tongued member for Rosthern, advocating cash advances in the west and condemning them here. Apparently he and other western Liberal members have taken very much to heart the talk given at the Liberal dinner last week by the Minister of Trade and Commerce, at which he said that they must stand by the party line, right or wrong. Therefore they are standing by it, in spite of what their former position might have been when they were out among their own constituents.

The Minister of Trade and Commerce also said that the interest rate of 5 per cent on the bank loans being made was quite a fair rate of interest, and that when he had had to borrow money, which was frequently, he had always had to pay 5 per cent or more. I would say to him that he must consider the risk. This is one of the big items to consider as far as lending money is concerned, and apparently the banks thought that he was a risk deserving of 5 per cent or more. It is necessary to consider that these loans are backed by the dominion government. The wheat board, when it pays the farmer for the grain for which it does take delivery, has borrowed the money at less than 5 per cent. Any other government guaranteed loans such as this could carry a lesser rate of interest than 5 per cent because the risk is not great; in fact it is almost negligible.

The Minister of Trade and Commerce attributed the surplus and the troubles that exist in the grain situation to a variety of causes: first, the weather; second, the United States policy; third, the speeches made by his political opponents, which he said were preventing the sale of grain. In other words, his statements in this regard reminded me of one of the old sayings of world war I: "You can send my mother, my sister or my brother, but for God's sake don't send me." The minister, in effect, is saying the same thing except that it is "Don't blame me; blame everybody else."

The minister said there had been a succession of good crops, which by and large is true, that dry years would come again and the situation would right itself. In other words the government has no answer to the wheat problem except a series of crop failures. That is the only long-term solution it has. Evidently it proposes to sit down and wait for these crop failures to come, and to leave these farmers to their troubles in the meantime.

This attitude on the part of the government sums up my chief criticism of it in regard to grain matters. The government accepts no responsibility for allowing the present situation to develop. It admits to no failure of any kind in the marketing of grain, nor any failure of any other sort, but it does nothing whatever except wait for crop failures to cure the situation.

I believe there will be poorer years for grain production than have been experienced throughout the world during the past five or six years. However, I think we must expect that the average world grain crop will be larger in the future than it was 10, 20 or 30 years ago. There are a variety of reasons why I think that opinion is well founded. To begin with, European countries are now growing considerably more wheat, particularly, than they were in the past, because of a desire for economic sufficiency on their part due to the danger of war and the desire not to be caught short of bread grains and supplies of that sort. Throughout the world better methods of tillage—and that is particularly true of this continent—have been put into operation, and that again has raised the general level of yield, either in good or in bad years. Similarly, wider use of fertilizer has tended to raise the yield. Then again, more irrigation has raised the yield. Not only does irrigation raise the yield on the land directly irrigated, but it raises the general water table and thus raises the yield on a great deal of the surrounding land which is not directly irrigated.

For all those reasons the general level of world grain crops will be greater than it has been in the past. If we are going to be realistic we must face that situation and accept it as a fact, instead of trying to blink it off and saying, "We shall have dry years, and all our troubles will disappear."

On the other side of the picture, too, the consumption of bread grains has not been going up proportionately to the increase in population. The average person on this continent particularly is not eating the amount of bread or wheat products he did in the past. When I was a boy I remember there would be a big stack of wheatcakes or pancakes for breakfast. How many people eat a stack of pancakes for breakfast now? Very

few, even in the rural areas, let alone in the cities. The same thing applies right through the picture. In other words the consumption of wheat has been going down on the average per person, and probably that will continue.

Taking all these factors together, our wheat surplus is likely to be a continuing problem and one for which we must seek a long-term solution. It is not something we can blink off. We cannot say that time and the weather will look after it. A glance at the carryover figures for the past six or seven years shows that the surplus is a mounting problem, one that is growing worse year by year. I have the figures here, and these are the only figures I shall use. I should like to put them on the record to show the way in which our surplus is constantly increasing.

In the crop year 1949-50, we had a carryover of 112 million bushels. The next year, 1950-51, it was 189 million bushels, up 77 million bushels. The next year, 1951-52, the carryover was 217 million bushels, up 28 million from the previous year. In 1952-53 it was 369 million bushels, up 152 million. In 1953-54 it was 587 million bushels, up 218 million bushels from the large carryover of 1952-53.

Then in 1954-55 we had a poor crop; we grew less than 300 million bushels of grain. That was the one really poor crop we have had in a long period, owing to a variety of reasons, and the carryover fell to 481 million bushels. Then we had a reasonably good crop last year and the carryover this year will probably be between 580 million and 590 million bushels, bringing us back up to the high figure of 1953-54. What that indicates is that with anything like a normal crop we are not able to export enough grain or to consume enough at home to take care of what we are growing. We are producing more than we can get rid of. As a result we have this surplus mounting and mounting.

One of the serious aspects of this mounting surplus is the matter of the carrying charges on it, which have already amounted to a large sum, an amount of money which would otherwise have gone in the farmers' pockets and from there into the general stream of the economy, thus benefiting everyone in the country. If these surpluses continue to mount the cost of the carrying charges on them—just looking after these surpluses—will be a continuing and increasing drain not only on the farmers but on the general economy. This drain, under the proposed government measure of a storage payment plan, is going to be partially transferred to the general taxpayer, but of course it is still going to be a drain. That plan, which I think is sound enough, is still going to cause a great deal of discontent in other parts of Canada and a cry—which we do not like in the west—that the western farmer is being subsidized by the rest of the country, that there is no justification for it and so on and so forth.

Another feature of the cost of the carrying charges which I should like to point out is this. They have caused a constantly increasing spread between the price at which the wheat has been sold either at home or abroad and the price received by the farmer. The spread used to be a few cents, but it has gone up and up so that at the present time the farmer receives—and I will not go into the statistics—much less than he used to receive for a bushel of grain, chiefly because of these carrying charges. The cost of these carrying charges alone in the spread they have caused between the price received by the farmer and the price the grain is sold for is a sufficient reason to indicate to the average farmer that a surplus—contrary to what the Minister of Trade and Commerce has said—is not a good thing as far as he is concerned, and he is extremely unhappy about it.

As I stated, the minister and the government have done nothing whatever about a long-term solution to our wheat surplus problem. Apparently they have not even gone to the extent of giving serious thought to the problem, because the Minister of Trade and Commerce has scoffed at every suggestion which has been made with regard to dealing with that surplus. In his speech last week, for example, as reported at page 125 of *Hansard*, he had this to say:

> Well, we should plant at least 20 million acres of wheat. I believe that our economy requires production to that extent. I will admit at once that if we get five more wet years in succession, 20 million acres of wheat will produce an accumulating surplus in this country.

And so on. Then he goes on further to say this:

> Therefore, I reject the soil bank plan or any other plan—

The minister rejects the soil bank plan, and he rejects any other plan before he even hears it.

> —destined eventually to place wheat in the deficit column. If we cannot keep wheat supplies in balance, let us have a surplus of wheat, but let us never adopt a policy that can produce less wheat than our markets will take.

The whole trouble is that we are producing more wheat than our markets will take. I would be quite happy if we were producing just the amount of wheat our markets would take or anything close to that amount. But unfortunately we are producing a great deal more than that and that fact, of course, is the whole cause of the difficulty.

In connection with this statement to which I have referred, one might well ask this question. Why does our economy require 20 million acres of land in wheat? Especially is that so if we cannot sell wheat? One might just as well say, picking a figure out of a hat, "Our economy requires 25 million acres of land in wheat", or 15 million acres of land in wheat. There is no magic in the figure 20 million acres. It just happens that 20 million acres is what we had in wheat last year. There is nothing to show that is what we should continue to have or that it is the ideal amount for us to have.

As a matter of fact I should think it would be much more sensible to say that the acreage our economy requires to have in wheat is only that acreage which will produce the amount of wheat which can be economically raised and disposed of. That is the acreage we should aim for, and not any particular fixed figure. The land that we have in wheat probably should go up and down considerably from time to time, depending on what the world markets are.

The Minister of Trade and Commerce has attributed a great deal of our difficulty to the United States policy of giveaways, selling for blocked currencies and things of that sort. I think it is quite evident that this policy of the United States has cut down our potential markets considerably. At the same time, however, I think we must admit that the United States has taken a much more realistic and practical attitude toward their wheat surplus than has our government toward our wheat surplus. The United States giveaways are preventing our sales at the present time. There is no question about that fact. But there is some hope that these giveaways and the reduction in acreage by their soil bank plan will eventually remove the United States as such a serious competitor for world markets as they have been during these past two or three years. However, it looks as though a period of several years will have elapsed before that end is accomplished. It is going to take some considerable time.

In the meantime I believe that we ourselves must look for some solution in order to look after our own surplus. I do not see that we can just continue to let the surplus mount up and up and consequently continually reduce the price to the farmer and lower his standard of living. I would suggest a considerable extension of the present P.F.R.A. measures which have already taken a considerable amount of land out of wheat production. The minister said there were about 27 million acres in wheat in 1940. The figure is now down to 20 million acres. A great deal of that reduction is due to work done by P.F.R.A. I should think that an extension of the work of that agency should be our first step in reducing the amount of wheat we are producing.

As a matter of fact, if the amount of $30 million a year which it is now proposed should be spent on the carrying charges for wheat, according to the projected bill, had been spent annually for the last three or four years in converting areas in southern Saskatchewan and southeastern Alberta from wheat production into grass and establishing farmers on that grassland in the livestock business, we would not at the present time be in as serious a situation as that in which we find ourselves with regard to our wheat surplus. At the same time we would have built up that soil and would have made out of it a permanent resource to meet any projected period of scarcity in the future, such as that which the minister envisages, when we may want to increase production considerably.

I believe a plan of this nature should be put into operation forthwith. It should be the first step in cutting down our wheat acreage and our wheat production in order to attempt to get into some sort of reasonable balance with what we have a prospect of consuming at home and selling abroad.

I can see no good sense whatever in producing the same amount we have been producing and engaging in these giveaway programs, or selling it for sterling or blocked currencies. In any event, apparently the British government does not want to deal in that way. They are not willing to accept our wheat on the basis of selling for sterling. They would just as soon pay dollars for it. I can see no advantage to us in trying to dispose of our surplus wheat by means of these giveaway programs, whatever particular form they may take. On the other hand it seems completely foolish and stupid to produce a great deal of wheat which you cannot dispose of in any form. It seems to me the logical thing to do is to begin cutting down production.

I would strongly recommend that steps be taken immediately, as I said, to extend the operations of the P.F.R.A. plan with that in mind.

Mr. C. W. Carter (Burin-Burgeo): I feel, Mr. Speaker, that I should embrace this opportunity to bring before the house certain matters which are of vital concern to my constituents and which, in my opinion, are too urgent to be left over until the estimates are before us. Before going further I should like to identify myself with those who have complimented the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply on the excellent manner in which they have discharged their duties.

The speech from the throne lists a record of achievements during the past year and outlines a program of legislation for this session of which all Canadians may feel justly proud. There is, however, one omission which I know will be a cause of general regret to my constituents and, I believe, to all the fishermen in Newfoundland. I refer of course to the lack of any reference to unemployment insurance benefits for fishermen.

The number of Newfoundland fishermen has been steadily declining since confederation. This decline has been most severe along the southwest coast, particularly in the riding of Burin-Burgeo which I have the honour to represent. At the time of confederation six years ago the total number of Newfoundland fishermen was estimated at 28,000. Today they are estimated at around 8,000. These figures speak for themselves. It must be borne in mind also that a considerable number of these 8,000, probably as many as 25 per cent, are men of 50 years of age and over. They are too old to secure employment in secondary industries where the labour supply is regulated by labour organizations. They are too old to stand the physical strain of working in the mines or in the forests.

Many factors have contributed to this exodus from the Newfoundland fishing industry. In my opinion the two most important factors have been the lack of unemployment insurance benefits on the one hand, and on the other the availability of alternate employment with unemployment insurance benefits as well as, in some cases, better remuneration. For 450 years the Newfoundland fisherman toiled, suffered and died, but he always managed to cling to the hope that some day things would be better.

Then came confederation, and he hailed it as the dawn of a new day; the day for which he had waited so patiently and so long; the day of fulfilment of the hope that had been deferred through four and a half centuries. His soul was stirred at the prospect of becoming a Canadian citizen and sharing in the great Canadian democracy—a democracy based on lofty ideals such as the strong helping the weak and equal treatment for all, great and small, rich and poor alike. He heard wonderful stories of the fabulous natural wealth of Canada, and he looked forward to sharing the prosperity which was certain to result from its development. He was aware also of the vast resources of the federal government, financial and otherwise. He looked forward to the speedy employment of those resources in finding a solution to his problems. He expected a quick expansion of his markets and a steady rise in his standard of living.

Six years have passed, and the Newfoundland fisherman looks at his fishing industry. What does he see? He sees a depressed and declining industry. He sees his numbers reduced from 28,000 to 8,000. He sees the once great Labrador fishery completely gone. He sees the inshore fishery rapidly disappearing. He sees his living costs and his operating costs steadily mounting and greatly increased. He sees the price of his product remaining stationary and sometimes falling below the pre-confederation level. He looks out from the south coast over the nation and sees the greatest production and the greatest prosperity in the history of Canada.

Then he turns his gaze along his own south coast. He looks at places like Marystown, Lamaline, Garnish, Belleoram, St. Jacques, English Harbour West, Mose Ambrose, Jersey Harbour, Harbour Breton, Rencontre West, Francois, Grand Bruit, Rose Blanche, Burnt Islands, and many others. I mention those settlements because they were once famous as centres of the south coast fishing industry. I could have mentioned many other smaller places in between those settlements. But as he looks at those places which were once prosperous and flourishing, he sees now ghost towns. He sees them all in distress, economically sick; some dead and others dying. He sees that everyone is prosperous except the fisherman. He is still the hewer of wood and the drawer of water.

He must still take all the risks, endure all the hardships and suffer through life under a subsistence level. At the same time he sees others benefiting from his product and earning a better living for themselves. Those who handle it enjoy unemployment insurance benefits at every stage, from his boat to the consumer.

It is true that like other Canadian citizens he gets the family allowance and old age pension. He finds them a real blessing, but good as these are they are poor substitutes for a livelihood. As a means of livelihood, the only natural resource on the southwest coast is fish. Other sections of the province prominent in fishery development plans have additional resources. They have mineral resources and forest resources, but the riding of Burin-Burgeo is a have-not riding.

With the exception of a fluorspar mine at St. Lawrence, we have only fish, nothing else; but fish we do have of all varieties and in abundance, herring, mackerel, lobster, cod, salmon, haddock, rose fish, halibut, sole

and many others. Furthermore, we have numerous fishing grounds from one mile to twelve miles offshore, plenty of year-round open ports with fine natural harbours, and an all year round fishing season. The lack of development of these resources leaves the south coast fisherman with no alternative but to abandon his occupation, abandon his house, his property, his friends, pull up his stakes and move to the mainland. This is a sad spectacle to contemplate and one that is not in the best interests of either Newfoundland or Canada.

The Newfoundland fisherman feels entitled to a fairer share of Canada's prosperity than he has hitherto received, but he sees no chance of economic improvement in the near future. His day of deliverance seems as far off as ever. The bright vision which he associated with confederation is beginning to fade, and in its place is coming a sense of futility and despair.

The deferment of unemployment insurance benefits and the reasons for withholding them have added to his disappointment. Let us look at some of these reasons. Wage earners in other occupations can qualify for unemployment insurance benefits, but wage earners who are fishermen cannot because they number only six or seven thousand. Another reason given is that fishermen cannot qualify for unemployment benefits because they are certain to be unemployed in the off season. In this respect, how do the fishermen differ from the great lakes seamen, the dockers and the stevedores in the various ports along the shores of the lakes and of the St. Lawrence seaway? Are not these also certain to be unemployed in the off season when the freeze-up comes?

A third reason given is that a satisfactory plan of unemployment insurance for fishermen would not be actuarially sound. I find it difficult to believe that this principle is rigidly applied to other individual industries. If it were so, surely it would necessitate a different rate of contributions and a different scale of benefits for every single industry, because no two industries are exactly alike either in their economic structure or their economic potential. The very fact that all workers pay the same rate of contributions, based on earnings, and receive the same scale of benefits, based on contributions, to me seems to prove that actuarial considerations apply to industry collectively and not to each separate industry. In other words unemployment insurance benefits have become another social security measure, and I see no justification for excluding fishermen from those benefits.

No one would wish to minimize the benefits of price supports, deficiency payments, salt rebates, storm damage insurance, small loans for fishermen and other measures which this government has provided to assist the fishermen. These measures, however, can never cure the sick fishing industry. At best they can prolong a miserable existence. In many instances the effectiveness of these measures is considerably curtailed by the regulations with which they are circumscribed. It will take many years before their combined cumulative effect can have any significant impact on the fishing industry of Newfoundland.

If the Newfoundland fishing industry is to be revived something more than economic aid must be forthcoming. Something must be done to inspire the fisherman with a new hope and a new courage; something must be done to give him a sense of belonging to a great Canadian family who are interested in him and are anxious to help him. One thing more than anything else that will accomplish this goal is unemployment insurance benefits.

I know it is not easy to work out a satisfactory scheme, but I believe it can be done and I am glad to learn that there is still hope; that the idea has not been abandoned but that it is still under study by a committee set up for the purpose. I trust that it will be possible to work out a satisfactory solution and bring in the necessary legislation before the end of this session. I must emphasize again that speed is of the essence, because at the present rate of exodus, if it is delayed much longer very soon there will be no Newfoundland fishermen left.

A short while ago, Mr. Speaker, I referred to the disappearance of our deep sea banking fleet. Confederation has also had an adverse effect on our coastal shipping. Our coastal fleet is in grave danger of disappearance. Prior to confederation we could boast of a coastal fleet of over a thousand ships. Today there are probably fewer than 200 left. The rapid decline in coastal shipping is due, in the first place, to the high mortality rate suffered by both men and ships. During the past year 32 vessels were shipwrecked and became a total loss, five of them from my own riding; and one of those was lost with all hands. In addition, several others were sold.

In the second place, there is no incentive to replace those ships for two reasons. One reason is the high construction cost of Canadian shipyards, which require a capital outlay far in excess of what the ordinary shipowner can afford. The second reason is the high operating cost resulting from Canadian standards, and regulations of various federal departments, which make it impossible to operate at sufficient profit to amortize the original investment. For example, Canadian

steamship inspection regulations require ships of 150 tons and over to undergo a complete inspection every year. This very often runs to a cost of thousands of dollars, and eats up the low earnings of the ship. Ships under 150 tons are required to undergo an inspection every four years. This regulation favours a ship which it is no longer economical to operate. A 200-ton ship can be operated with exactly the same crew and at practically the same expense as a ship of 150 tons.

I therefore urge the Minister of Transport and his colleagues to endeavour to have these Canadian steamship inspection regulations changed so that only ships of over 250 tons would be subject to annual inspection.

The second reason for our high cost of operation is the absence of small marine docks. Consequently Newfoundland ships requiring repairs, cleaning, maintenance or painting are forced to make the long journey to Sydney or Halifax for docking. The only alternative is to go to St. Pierre and Miquelon, which is a foreign land and in which case duty must be paid not only on the materials used but also on the cost of the labour employed. We hope that the Minister of Public Works will be able to come to our rescue and provide small public docks at strategic points along our coast.

Another extra cost which falls on Newfoundland ship owners comes as a result of the regulation which compels Newfoundland ships to go to Halifax to obtain a de-rat certificate; that is, a document which certifies that the ship is free from rodents. This discrimination has existed for six years, and I am sure the Minister of National Health and Welfare does not wish to have it continue any longer. I therefore urge him to take the necessary steps to have this service performed in Newfoundland, as was done prior to confederation.

This drastic reduction in the Newfoundland coastal shipping is a matter of great concern to all our people, because Newfoundland is an island and all our supplies must be brought in by sea. Also, most of our 1,300 settlements have no road communication whatsoever and are entirely dependent on ships of under 250 tons because their harbours are not large enough to accommodate ships of a larger size. To meet this emergency I would suggest to the Minister of Finance and his colleagues that the 50 per cent surcharge, together with tariff and other import restrictions, be removed entirely from ships up to 500 tons. Suitable ships are no longer available in eastern Canada, and since construction costs are so prohibitive the only way the Newfoundland ship owners can secure replacements is to obtain them from foreign sources. These tariff restrictions do not help the Canadian shipbuilding industry, but serve only to put the Newfoundland operator out of the shipping business. The only alternative would be a government subsidy, because Newfoundland must have ships or perish.

While I am dealing with the subject of coastal shipping I should like to draw to the attention of the Minister of Transport the need for additional navigation aids, particularly light and whistle buoys. Newfoundland has a much greater coastline than any other province, and much of it is dotted with treacherous shoals and sunken rocks. We need a large number of navigation aids to bring us up to the standard enjoyed by the other maritime provinces. Indeed, there are many buoys which were used to mark shoals prior to confederation which have not yet been replaced because we have not had any supply and service ship capable of handling them. We are happy to learn that such a ship is now going to be constructed. In view of the lives lost every year we hope that additional navigation aids will be forthcoming at an early date.

Before concluding my remarks I should like to draw to the attention of the Postmaster General the plight of another group of Newfoundlanders for whom confederation has been a doubtful blessing. I refer once more to the postmaster-telegrapher. To understand the plight of this group it must be remembered that prior to confederation they were full time employees of the Newfoundland government and as such they enjoyed civil service status. With the coming of confederation those employees who happened to find themselves in offices classified as revenue post offices lost their civil service status completely. They retained only their pension rights, which happened to be safeguarded by one of the terms of union; but their other rights and privileges, which were considerable and included vacations with pay, sick leave with pay, and government paid substitutes during vacation, they lost altogether along with their civil service status.

No one seems to know what their present status is. The Post Office Department regards them as casual or part-time employees, though strangely enough should one of them wish to retire for health reasons he suddenly becomes subject to all the red tape that applies to the highest paid civil servant. As telegraph operators they are also casual employees. The C.N.T. regards them as part-time agents whose services they rent from the Post Office Department and for which they pay the Post Office Department for each postmaster individually, in proportion to the traffic handled.

Recently these postmaster-telegraphers received notice from the C.N.T. to the effect that wireless telephones would be substituted for their present Morse instruments, and in consequence of that change the remuneration paid for them to the Post Office Department would be greatly reduced.

If this reduction is passed on to them a human tragedy will result, because their present salaries barely keep them at subsistence level. Many of these postmaster-telegraphers are married and have families to support. Many of them own their own homes in settlements where they have served for periods ranging from 10 to 20 years. They cannot afford to pull up stakes and sacrifice the homes which they have acquired at such great sacrifice. They have not the means to do this even if it were their wish. Another serious aspect of the problem is the effect this change will have upon their pensions, because pensions are based on salaries and if salaries go down the pensions are automatically reduced.

Although these employees are regarded as part-time employees by both the post office and the C.N.T. between the two they actually have a full-time job. Whether or not there is traffic to be handled their duties compel them to remain in their offices during regular business hours. Their ordinary work week is exactly the same as that of other civil servants and in many cases it is a little longer because the C.N.T. offices remain open until six p.m. Sometimes they have to work overtime, for which they get no extra remuneration.

As I see it, this is primarily a problem for the Post Office Department, because in as much as the post office uses part of their services and rents the remainder to the C.N.T. in such a way that a full work week is used up, I feel the postmaster-telegraphers should therefore be regarded as full-time employees of the Post Office Department. I hope the Postmaster General will interest himself in the plight of these employees and do everything possible to see that they do not suffer any further injustice.

While I am on my feet I should perhaps remind the Minister of Northern Affairs and National Resources, the Secretary of State for External Affairs and the Minister of Justice that this is the season for turrs in Newfoundland. We are looking forward to a satisfactory solution to this problem and we hope there will be no repetition of certain incidents which occurred last year when fishermen attempted to take these birds.

Mr. Speaker, we are proud of Canada's growing influence in international affairs and of the contribution Canada is making to the maintenance of peace and the preservation of democracy. Democracy is on trial today. It is being judged not by what we preach but by what we practice. It is being judged by our faithfulness to the ideals we profess, and above all by our concern for the individual, particularly the little man, the primary producer who must always remain at the bottom of the economic ladder.

It is on such matters as these which I have mentioned today that democracy will stand or fall. It is in such matters which vitally impinge on human lives that democracy can make its greatest contribution to the cause of peace and freedom. If democracy fails to meet these human needs, both physical and spiritual, then our other efforts, either within NATO or without, can never be fully effective.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as I rise to add my trickle of words to the torrent of eloquence which has flowed around this chamber since January 10, I am deeply conscious of the fact that I am a very dimly glowing parliamentary asteroid surrounded by a galaxy of brilliant and scintillating parliamentary stars. Regardless of that, I rise in all humility to add my few words, ideas and suggestions to this debate.

Before proceeding I must compliment the Liberal member who has just taken his seat for having informed the house that all is not well in his constituency, and that Liberal policies have not to date produced a satisfactory state of affairs so far as his riding is concerned. I am sure he is representing his constituents completely and properly in bringing their complaints in the way he has to the attention of the government and the house this evening.

During the parliamentary recess, which my constituents insist on terming the parliamentary holiday, I had an opportunity of visiting all parts of my riding from its northern to its southern boundary. I had the opportunity of addressing a good many public meetings, labour organizations, veterans' organizations, women's institutes, church groups, farmers' institutes, chambers of commerce, public schools, high schools and service clubs. So I think I can properly say that I had an opportunity to find out the thinking of my constituents on international, national and local problems.

During my tours around my constituency I had some interesting and at times amusing experiences, experiences which indicated the variety and diversity of human nature and the differences in reaction to certain situations and questions. I am in the habit of giving what I term reports from parliament hill once a week over the Nelson and Trail

radio stations in my constituency, which I understand my constituents appreciate very much largely because they cannot listen satisfactorily to any other Canadian stations, so I have a monopoly in our district.

One lady told me that she found my talks most stimulating. She said that as a matter of fact on two occasions her radio had caught fire when I was speaking. I am quite sure it was not my language which caused the fire. Yet another lady listening to the same report from parliament hill told me somewhat the opposite. She said that she found my radio talks most soothing, and always did her ironing while I was giving my report from parliament hill because the time went so quickly.

I could give quite a number of illustrations of the confusion that arises in the minds of people in regard to federal and provincial jurisdictions and the use of legal terms. Just before coming down here I said to a chap who was cutting some timber, "Is there anything you would like me to bring up while in Ottawa?" That is the best way to put it, you know. This man, who is a good logger, is of French-Canadian descent. He said, "Yes, I wish you would bring this up". I said, "What is it?" He said, "I have been logging in this country for 40 years and every contract I have had with the provincial government has said that His Majesty or Her Majesty gets a royalty of so much a pole or so much per thousand feet of logs. I do not think that is fair as I have to do the work. I cannot see why Her Majesty should get that royalty". I had to explain to him that that was a matter of provincial jurisdiction and that "royalty" was simply a term which meant that the state, the government of British Columbia, got that amount. He was quite satisfied with my explanation, and I did not have to bring that question to Ottawa.

People are interested not only in policies and programs but in events, in procedures and in personalities. In no part of my riding do my constituents enjoy Canadian television. We have some United States television piped in on a very limited scale to Rossland, Nelson and Trail, but there is no Canadian television. Over a large section of my riding my constituents have very little opportunity to listen to Canadian programs because of weak signals and for certain other reasons such as the nature of the country, and so on.

Therefore at the conclusion of the talks I give to my people I am often asked to answer questions, which is something members of the C.C.F. always welcome, and to describe events and procedures and even personalities. I have done a little bit on the amateur stage at different times, and on occasion I am asked to imitate various prominent personalities in this country. I must say that on these occasions I always try to be fair. Once a lady got up and said, "Can you tell us something about the member for Prince Albert? Can you give us an imitation of his mannerisms?" I said that in fairness I thought I could best describe the hon. member as the greatest melodramatic parliamentary tragedian in Canadian history.

On another occasion I was asked about the hon. member for Winnipeg North Centre (Mr. Knowles). I said I could not imitate him because I had not the capacity to imitate his ability and his industry, but I said I could best describe him as the Sir Stafford Cripps of the Canadian House of Commons, as a great successor to Mr. J. S. Woodsworth, and a member who is doing a great deal for the people he represents and the people of Canada.

On another occasion a lady asked me about that smuggling member from Charlotte (Mr. Stuart) who once boasted of his activities in that connection in this house. I explained that I thought he was actually using parliamentary poetic licence when he described the incident in question in order to emphasize the necessity for the lowering of tariffs on certain goods coming from the United States into Canada. I assured the lady that he was a gentleman of thorough integrity and, if you met him outside this house, you would take him to be a reputable country solicitor.

I was asked on another occasion about the hon. member for Macleod (Mr. Hansell), and I must say that I did a bit of a skit on his account and tried my best to imitate and indicate his witty and witless remarks.

I have gone over those experiences merely to indicate the interest of people in the country not only in the policies and programs but in the personalities in this House of Commons.

During this pre-election period—and I think this is a pre-election period—it has been noticeable, in the first days since the session opened, that there is a temptation to outbid one another in the auction of ideas in connection with national matters and federal-provincial relations. While we are all very much interested in doing the best we can for Canada as a whole, for our constituents and for the provinces from which we come, there is a great necessity at this time for us as representatives of democracy to act with a sense of responsibility.

Mr. Studer: Another socialist gone now.

Mr. Herridge: The hon. member for Swift Current-Maple Creek (Mr. Studer) has such a limited understanding of socialism that he would not realize that our program and our policies are based on the foundation of responsibility to the nation.

Mr. Studer: If someone else produces it.

Mr. Herridge: In my opinion our greatness as a nation, our progress in the ultimate sense of the word, will grow into a dead end if a majority of our citizens accept the philosophy that votes can be traded for a road, a bridge, a politically timed adjustment in income tax or a job. Without concern for facts related to the principles of justice and a sense of responsibility, we in this country shall very soon flounder in a moral wilderness.

As I said before, all of us are interested in federal-provincial relations because the problems that face the federal and provincial governments and all of us in this country require a very responsible approach to this situation. In my opinion, if more people would be concerned with provincial responsibilities instead of provincial rights, there would be no loss of those rights. I believe that government services in a genuine democracy should be performed at the lowest level of government having the capacity to do the job. Whilst this government may be called upon to assist with fiscal arrangements, the closer you can get administration to the people, the more democratic and satisfactory that administration will be.

Our constitutional difficulties and the people's needs can only be met, in my opinion, by a spirit of co-operation between federal and provincial governments, by a recognition of rights on both sides, by the acceptance of responsibilities and scientific fiscal arrangements between the governments concerned. Surely that is within the capacity of the governments concerned with these difficult problems.

Before going on to other aspects in my remarks, I wish to say that this group advocates and advances our program with an understanding of Canadian conditions and circumstances and in the full knowledge that, in this modern world, government action is required to provide a more equitable distribution of wealth and a more equitable distribution of the benefits society has created as a whole.

That is all I am going to say in general language and terms. Before dealing with other aspects, however, I must say that during my tours around my constituency I did hear people of all parties make complimentary references to the good work done by the Minister of National Health and Welfare (Mr. Martin) as a representative of Canada during the past year at the United Nations.

I support the remarks of the leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell), speaking in this debate on Thursday, January 12. There is no necessity for me to repeat in detail what he had to say, but I wish to refer to one or two things and possibly present them in a somewhat different form.

Before doing that, I must say I was glad to see legislation proposed that will provide equal pay for equal work to those women who come within the scope of the federal government. I was glad to see that amendments to the Canadian Farm Loan Act are proposed, I understand, for an increase in the amount of loan available.

I was sorry there was so little reference in the throne speech to national health insurance, and no reference to the establishment of a Canada Council. I am not going to deal with national health insurance, because the hon. member for Winnipeg North Centre dealt very fully, completely and effectively with that question in his remarks this morning.

When speaking in the house on Thursday, January 12, the hon. member for Rosetown-Biggar said, in part, the following, as shown on page 56 of *Hansard:*

> The increasing United States dominance in Canadian industry is a matter of legitimate concern. I am sure this concern is shared by Canadians everywhere.

I was very glad the hon. member for Rosetown-Biggar made those remarks and dealt with that question, because many people in Canada in all walks of life are feeling some concern about the increasing United States dominance of Canadian investment and Canadian industry. Not only is that reflected in conversations but it comes up at public meetings, and in editorials and articles in responsible publications and newspapers across this country. I can only deal briefly with three here this evening because of lack of time. I should like to deal with an article that appeared in the *Financial Post* recently entitled "Foreign Investors Should Become Canadian." I should like to quote briefly from that editorial:

> "Modern history is filled with sad examples of foreign corporations operating in a country with almost complete disregard for their inherent obligations to the people and to the country in which they operate."
>
> That frank warning to U.S. investors in Canada came in an address by Dr. G. Edward Hall before the annual Boston conference on distribution this week . . .
>
> It was not enough for American corporations operating in Canada, as Dr. Hall said, to pay taxes

and observe the law. They should become Canadian. He urged them to make the same disclosures in their company reports of Canadian operations as Canadian companies do, to offer capital stock in their Canadian plants and to fill key roles in Canadian operations with Canadians.

Then I noticed that on Friday, January 20, the Ottawa *Citizen* dealt with this question. I quote in part what it said:

The lack of Canadian participation in enterprises controlled by foreign capital is becoming a matter of increasing concern. Mr. James Muir, chairman and president of the Royal Bank of Canada, added his voice to those pleading for more investment by Canadians in the nation's resources when he addressed the Canadian Club in Ottawa yesterday. His appeal deserves wide discussion.

True, between 1946 and 1953 Canadians themselves contributed about 75 per cent of the capital employed in the country's development. But much of the remaining 25 per cent, invested from abroad, went into risk ventures. Mr. Muir pointed out, for example, that "non-resident ownership in petroleum was 59 per cent of the industry at the end of 1953." Canadians have tended to invest their money in safer enterprises and in bonds.

While foreign investment in Canadian enterprises brings many benefits, including not only fresh capital but new technical skills, Canadians themselves are often unable to participate at the managerial level. If the nation is to advance to maturity, the situation should be remedied.

Then in today's Montreal *Gazette* I see this article. The heading is "Labour Group urges Duplessis to get Canada Alcan Priority", and the article reads as follows:

The Quebec federation of labour (AFL-TLC) has urged Premier Duplessis to induce the Aluminum Company of Canada to give Canadian consumers priority on available aluminum supplies.

In a weekend telegram sent to the premier, the federation said:

"Respectfully request on behalf of affiliated organizations that you use your good offices to induce the Aluminum Company of Canada to supply requirements of Canadian fabricators of aluminum products rather than giving American manufacturers priority on available aluminum supplies because they offer premium prices.

"Alcan has reduced shipments to Canadian fabricators of aluminum products by 40 per cent, thus causing lay-offs at a time when governments and employers are making every effort to reduce winter unemployment.

"Canadian consumption of aluminum amounts to less than 15 per cent of total production in our country and it is only right Canadian needs should be fully supplied before foreign commitments are met.

"Alcan should not be permitted to take advantage of the temporary aluminum shortage to cut supplies to Canadian fabricators and to extort premium prices for such aluminum as they have available."

That is a case where Canadians supply the power for this great industry but United States consumers come first in the minds of the company's executives, and where Canadian workmen employed in those factories go on short time because of those rearrangements. We in this group are strongly opposed to this sort of thing. This increasing investment of United States capital, without further control over the situation means increasing control of our natural resources, distribution of production, employment and investment in this country. Our forests, minerals, oil and gas are being increasingly exploited to the first advantage of United States corporations.

In finishing up, Mr. Speaker, may I say that yesterday I had a letter from a constituent of mine. I am not going to read it, but in order to be quite accurate in my statement I am going to read briefly from a paraphrase of that letter. Some years ago this man invested some money in Canadian Western Lumber Company Limited because of his faith in our ability to develop our own natural resources. Later, Canadian Western Lumber Company made a deal with the Pacific Mills on the Elk Falls pulp plant and obtained a forest management licence in British Columbia. Still later, Crown Zellerbach corporation—the owners of Pacific Mills—bought out Canadian Western Lumber Company and paid the shareholders in shares in Crown Zellerbach corporation. Thus the shareholders and owners of the Canadian company became shareholders in the larger United States corporation. In substance what this amounts to is that a Canadian, in order to participate in this particular Canadian enterprise, does so through share ownership in a United States corporation. When the profits earned are distributed, they are paid from California, and the United States government collects a 15 per cent income tax on profits belonging to a Canadian and made by the development of Canadian natural resources. In other words we pay a commission to Uncle Sam for investing our own money to develop our own natural resources. A similar situation exists with respect to the operations of nearly every large United States corporation in Canada. United States investment in Canada results in increasing control of our natural resources, our economy as a whole, the employment situation and the distribution of Canadian production to Canadian consumers. Surely the protection of Canadian interests demands more control and direction of these vast, largely foreign-owned private enterprises. We in this group believe that there should be a national investment policy. We believe there certainly should be some greater control and direction of the operations of these United States industries.

Labour organizations in my constituency are concerned about amendments to the Unemployment Insurance Act because a considerable number of workers have been unable to establish a new benefit period under section 45 (2) of the act, and they urge that it be rescinded. I shall have more to say about that matter later.

Smelter workers, miners and railroaders are interested in industrial pension plans and particularly in the Income Tax Act and the regulations concerning the operation of these industrial pensions. I want to say in passing that there is no one in this house who has spent more time on the study of industrial pensions and superannuation than has the hon. member for Winnipeg North Centre. For 14 years continuously, session after session since he first entered the House of Commons, he has dealt with this problem of industrial pensions and superannuation for civil servants and others from various angles. When this question comes before the house I am quite sure we shall have from him some extremely informative remarks.

The farmers in my constituency are much concerned about markets—I am not going to deal with that aspect of the question tonight —tariffs, and amendments to the Canadian Farm Loan Act. Potato growers particularly are concerned about the potato marketing situation and ask for some equality of tariff arrangements in respect of potatoes as between Canada and the United States.

As I mentioned before, I am glad to hear of the proposed amendments to the Canadian Farm Loan Act to increase the amount that can be loaned to farmers under this act. I should like to bring to the attention of the house a situation that was brought to my attention last year. I want to do this in order to show how sometimes regulations and administration can be somewhat impractical and unsound. I have in my constituency a farmer who farms 490 acres of excellent land on a bench at a somewhat high level in the mountains. He has 300 acres in hay and 190 acres in pasture. He has about 50 head of beef cattle and he produces annually, in addition to the pasture, about 100 tons of hay. He cannot haul that hay from the fields down to his homesite because the road is a mountain road and it is impractical to do so, especially under winter conditions. He therefore keeps his cattle up there, and he keeps his hay up there. He feeds his cattle and drives them down the trail whenever they are ready to go to market.

That farmer asked for a relatively small loan from the Canadian Farm Loan Board. He is a farmer of long experience, farming on first-class land and with a record of good production throughout the years. That loan was refused because his house does not happen to be actually on the property he is farming. As a matter of fact it is some 5 miles or 6 miles away. I think that situation is unsound and impractical. A farmer of that type should receive a loan. When the act is being amended, and the regulations, I trust that something will be done to assist farmers operating under these circumstances.

Our farmers are also interested in the little cherry disease investigation. On that account the British Columbia fruit growers' association local in my constituency at Robson are asking for space in the new federal building at Castlegar. A very small amount of space is required, perhaps a room about 10 by 10, for the storage of orchard maps, spray records, experimental cages, insecticides and other records. I do hope the Minister of Agriculture will be able to persuade the Minister of Public Works that it is necessary that this small space be provided for this very important investigation.

I want to say a few words about war veterans allowances. I am very sorry that there is no provision in the throne speech for amendments to the War Veterans Allowance Act to raise the permissive income for single men to $1,200 and for married men to $2,000. I am sorry there is no provision for amendments to include benefits to veterans who served in world war I in the United Kingdom, and also widows of veterans who have 20 years of residence in this country. I am sorry there is no provision for the payment of allowances to those who have to live outside of Canada for health reasons. They are very few in number and live under very difficult conditions. I was very sorry to hear the minister's answer when I asked him about this question the other day. I do hope this matter, so important to so few, will receive further consideration from the minister.

So far as the Veterans Land Act is concerned, my veteran constituents are still hopeful that the government will see fit to reduce the acreage for small holdings under that legislation. In addition, they would very much prefer to have all the housing legislation in which veterans are concerned brought under the direction of the Veterans Land Act administration. They do not like this idea of starting out with the Veterans Land Act administration and then being handed over to Central Mortgage and Housing Corporation.

The women in my constituency have indicated their interest in national health insurance, improved disability pensions, old age security legislation, succession duties and the establishment of the Canada Council. I shall have to refer to those later this session.

At this point I want to say a few words about public works. First of all my constituents are very interested in the trans-Canada highway. They do urge a thorough consideration of every route. I noticed in the Revelstoke *Review* dated December 1 a news item saying, "Rogers Pass Most Likely Says

Winters." Now we have the Rogers pass route suggested by the minister and the Big Bend route built. There is another route that has not received sufficient consideration, and that is the Jumbo pass route which goes from Invermere over into the Kootenay country and then north to Revelstoke. I do urge, on behalf of my constituents, that the federal government use its good influences with the British Columbia government to see that a thorough survey is made of this route. We have the time to make certain, before any decision is made, that we choose the right route for this section of the trans-Canada highway.

I also ask, on behalf of the Trail chamber of commerce and other organizations, that the Department of Public Works reconsider the possibility of the removal of Rock island, thus lessening the flood danger at Trail. I know the engineers have not considered that the removal of the island would bring about that desired result. But there are some prominent and well known engineers within the constituency who are still convinced that the lowering of Rock Island would add greater protection to Trail during flood periods, and at little expense.

Then I should like to see an investigation of the possibility of dredging the Kootenay river in the Creston area. There was some dredging done there some years ago. I do not know whether that would come under public works or the international joint commission, but I should like consideration given to the possibility of dredging the Kootenay river between Kootenay lake and the international boundary in order to lower the level of the river and avoid excessive erosion of the dikes built around the wheat fields and other farm properties in the Creston area.

Then I suggest there should be some dredging at the mouth of the Columbia, near Arrowhead. The Columbia has changed its course in recent years. If the original main channel were dredged so as to divert the main flow of the water into the main lake instead of the north arm, it would prevent the rapid silting up of the channel entering the Arrowhead docks, and would also lessen the difficulties with the very large ice floes that come down the Columbia in the winter months, making navigation very difficult at certain periods.

I also ask for a further appropriation for the continuation of the good work that is being done on the Duncan river. I tramped up that river for miles this summer, and by removing the log jams and straightening the river it will again become navigable between Duncan lake and Kootenay lake. I have a word or two now for the Minister of Transport. I am trying not to miss anybody. I was talking to the captains of the passenger ferries on the Arrow lakes and the captains of the tugs that are hauling concentrates to railhead and towing logs. Recently we had a passenger service established by the provincial government from Beaton to Nakusp. On account of the changed schedules the ferries are often running when it is dark, in the winter months, and the captains of the ferry and the tugs have all suggested that for safety purposes there is a necessity for blinker lights at Cape Horn, Albert Point, Johnson Point and Whiskey Point between Nakusp and Beaton.

So far as the minister is concerned, I do want to bring to his attention that there is a great and continuous demand for low power relay stations at Nakusp, Rosebery and Balfour to serve those good citizens who still at this time are denied any satisfactory radio reception from Canadian stations.

So far as the Minister of National Revenue is concerned, the people of Castlegar would like to see provision made at the Castlegar airport for customs inspection, and an improved arrangement for clearing customs between Nelway and Nelson. The people of my district would like a 24-hour service at Patterson. In addition, I suggest that United States visitors using the Columbia water course to come up from the United States into the Arrow lakes should be allowed to report at Trail rather than at Waneta because of the navigation hazards. There is nothing at Waneta to indicate the spot at which they are supposed to call. They have to beach expensive boats on rocky beaches. They have to turn in at Waneta just at a time when they are entering this very dangerous water which is flowing very fast, in whirlpools and so on. I do ask the minister to give consideration to that very modest request. In fact I represent a most reasonable people whose requests are most modest in every respect.

I see that I have five minutes left, so I want to say a word or two about the Columbia basin development. The first development in the Kootenays was the development of the fur industry in the early days. Then came the development of the mining industry, the forest industry and agriculture and fruit farming. Now there is the development of water resources on a large scale all over British Columbia. The international rivers improvements bill was debated in the house and in committee, and the basis of understanding of this vast proposed development in Canada and the United States was widened. I think that bill lays a foundation

for an orderly, scientific and proper approach to the development of these international rivers in Canada.

Last October we had the pleasure of a visit from Senator Richard L. Neuberger, a member of the committee on interior and insular affairs in the Senate of the United States. I had correspondence on this and phone calls from him. I had the opportunity to make and was very willing to make arrangements for his trip and itinerary while he was in the Kootenay country. I must say that we were all very pleased that he visited our district.

I wonder whether you are getting a bit restless, Mr. Speaker, but I am just concluding. Since I cannot deal with it more fully, I advise everyone to read the report the senator gave to that committee. Printed copies may be obtained from Washington, dated December 15 of last year. It is a most fair, comprehensive and informative report.

In view of the situation that exists now, I think I am safe in saying that the people in my constituency and in the whole of the basin in British Columbia want action. They want co-operation among all governments, the Canadian government, the British Columbia government and the government of the United States. They want a district authority for the Columbia river basin, first proposed by the members of this group in 1949. I am pleased to note that the Progressive Conservatives are now supporting our program in that respect. According to this group, here is a great opportunity for a public investment program and an opportunity for co-operation among all governments and between public and private power authorities, in the interests and to the advantage of the people of the Columbia river basin in Canada and of Canada as a whole.

Mr. N. C. Schneider (Waterloo North): Mr. Speaker, in this debate on the speech from the throne I shall avail myself of its purpose, which is to give to each member an opportunity to present the problems and the wishes of his constituency. There is an old saying that members of parliament point with pride and view with alarm. I shall do both this evening.

I must first remind you of the high honour given to Waterloo North in the selection of the Kitchener-Waterloo Dutchmen senior O.H.A. hockey club to represent Canada at the 1956 Olympic games at Cortina, Italy. Anyone seeing this team in action will be assured of their excellent qualifications for this high honour. They have played Canada's national game in a clean, fast style, using good combination and team play. While they are among the lightest in weight of any men in their league, they are fast. They can take tough play, and if compelled to they can also give it. I am taking these few minutes to tell you of our pride in this hockey team, but I remind you that they are also your hockey team. Almost all nationalities making up Canada's population are represented on your Olympic team, the Scottish by such names as McKenzie and Logan. How can we lose with a captain named McKenzie? The English are represented by Woodall and White; the French by Brodeur and Theberge; the Pennsylvania Dutch by Laufman and Martin, and so forth. Elmira, the biggest little hockey town in Canada, in the north of the riding, has contributed three native sons to this fine team.

You will be interested in the personnel of this team and the occupation of its members. They are all clean-cut, typical young Canadians. Two are high school teachers; three are salesmen; two are college students; one is a lumberman and one is a bricklayer; three are carpenters. All of them are steadily employed at a trade or profession.

The name "Dutchmen" has been used for years, honouring the Pennsylvania Dutch who pioneered and settled Waterloo county in the early 1800's. The team played warm-up games in Scotland and Czechoslovakia before their opening Olympic game on January 26. They have not only won those games but they have won the admiration of their opponents for their good sportsmanship. I am sure this house will wish them Godspeed, victory in their matches, and a safe return on February 10.

I would remind hon. members that today is the first day of the issue of our new hockey stamp. It is a beautiful piece of art work, and is a credit to the Post Office Department.

The towns and cities of Waterloo county are highly industrialized. The rural districts are developed in agriculture, and contain some of the finest purebred cattle and hogs herds as well as diversified crops.

Our farmers and dairymen are sensitive to the problems of marketing Canadian-produced butter, animal fats and oils. I wish to draw the attention of the house to a problem which seriously affects every livestock producer in Canada, and contributes to the steadily shrinking income of our farmer. Farm cash income in 1952 was $2,800 million. In 1954 it had fallen to $2,300 million, a reduction of $471,500,000 or 16 per cent. With a steadily increasing wage rate in industry in the cities this unbalance must be rectified. In the next few minutes I will submit an idea which will assist considerably in raising the income of all livestock producers. It will

turn our good Canadian dollars back to our own Canadian farmers rather than to foreign farmers and planters.

We heard appeals from almost every province for the maintenance of the floor price on Canadian butter, and I am sure that the favourable decision has been approved generally. But I frankly believe that a price a little closer to world markets would eventually benefit the dairymen and take business away from margarine. Anyone having even a slight knowledge of farming will agree that dairying is the backbone and the mainstay of agriculture today, and must be preserved and kept on a strong and stable basis. A high degree of livestock activity is essential on any good farm, not only for the sake of diversification but also for the fertility of the land.

There is another basic industry of our country which I feel has been almost entirely forgotten. This industry is also an indispensable part of agriculture in all parts of Canada. This industry supplies the main dish in practically every meal on the national dining table, and the question I am raising has a direct bearing on the income of the farmer producer and the ultimate cost and selling price to the consumer.

As we have been gradually changing from a nation of workers in the fields and outdoors to an ever greater percentage of factory, office and indoor workers, our eating habits have changed so that today we find very few people who will accept the normal cuts of beef and pork as they come from the top grades of cattle and hogs. They will not buy fat. Canadian animal fats are a serious problem today, and I feel it is time that we faced the facts and tried to be realistic, and took the necessary steps to give them their rightful place in our economy.

Canadian animal fats belong to and are necessary in our Canadian climate. Canadian edible beef fat and lard can now be processed at moderate cost in a way which removes all animal fat odours. The deodorizing of these fats requires operations quite similar to those used in preparing vegetable oils, and the product is equal and even superior to vegetable oil products in food value and shortening qualities. Any argument that animal fats are more fattening than vegetable oils in our diet can be disproved by the fact that animals gain their fats from the same vegetable feeds. Fat is fat whether you eat it in the form of butter, margarine, vegetable shortening, lard or beef fat.

Very few people realize the extent of the present importation of foreign vegetable oils and their impact on the Canadian livestock and dairy industry. In the past year a grand total of 232,797,000 pounds of foreign edible oils was imported into Canada. This includes crude or unrefined oil and oil pressed from seeds which are imported. This figure makes little impression on most people unless you give some comparison. A tank car carries 60,000 pounds of vegetable oil. If all this imported edible vegetable oil for a year were to pass in review before you it would require 77 trains with 50 tank cars in each train.

I will not take the time of the house to explain how this large volume of business in imported vegetable oil has been built up. In the early days oils such as peanut oil, cottonseed, palm, cocoanut and soya bean oil were considerably cheaper than our Canadian animal fats and their bland flavour or lack of any flavour seemed to make them preferred to the animal fats. Modern processing removes these odours, and the shortening qualities of pure lard are superior to any pure vegetable or blended shortening. I feel that the time has come for the government to take action to control this flood of imported oil so that Canadian animal oil products may take their rightful place and realize a price nearer to their actual cost of production.

I would ask the house to pay particular attention to the next statement, as it is the basis of my appeal. The meat processor today pays approximately 23 cents per pound for hogs. When the carcass is separated into various cuts he must trim down the 1½ to 2½ inches of fat on hams, loins and shoulders to about the quarter inch of fat which is now demanded by the consumer. There is also leaf lard which is rendered out with these surplus fats. Processing these surplus fats is an expensive operation, involving a shrinkage of 33 per cent in weight and high cost coal, labour and equipment. The surplus fat for which the processor paid 23 cents per pound has now been converted to lard costing approximately 36 cents per pound in bulk, including no cost for packaging, delivery or overhead.

I have current market reports offering tank cars of pure Canadian high grade lard at 11½ cents per pound. Small meat packers offer over the retail counter at 12 cents per pound lard which cost them 36 cents per pound to produce. With the amount of excess fat on each hog varying from 19 pounds on an A grade hog to 35 pounds on C grade, it is difficult to figure the loss per hog. I am sure that any processor would agree that at today's prices there is a loss of $4 per hog because of the surplus fat. As more than 5 million hogs are slaughtered annually, we have a total loss of $20 million to the

industry. These figures will vary according to the amount of surplus fat trimmed off by the processor and the number of heavy hogs slaughtered.

There is a similar story in the case of beef marketing. We find that beef fat is bought on the hoof at an average of about 15 cents per pound. This includes cheaper cattle at 11 cents per pound up to the best grades at 19 and 19½ cents per pound. I struck an average of 15 cents a pound, which I think is fair. There are about 65 pounds of surplus fat on each carcass. By the time this goes through the same costly rendering and shrinkage it costs the processor about 40 cents per pound, and you can buy any amount of first-class edible beef tallow at this time at 10 cents per pound in tank car lots. With a marketing of 1,635,000 cattle, at inspected slaughterhouses only in Canada last year, and figuring a loss of at least $19.50 on each, there is a total loss amounting to $31,882,000.

I should make it clear at this time that I do not advocate an embargo on all these imported vegetable oils. If freedom means anything to Canada, I believe that anyone wanting to use margarine should have the right to do so, and we all know that its low price has been a great help to many large families with low or moderate incomes.

This total loss of over $51 million in the disposal of these surplus animal fats is caused by the importation in 1954 of 232,797,000 pounds of foreign vegetable oils. Would it not be reasonable to reduce this importation by imposing quotas so that Canadian livestock processors would be encouraged to process Canadian animal fats? If our Canadian fats could be sold at prices equal to those of refined imported vegetable oil products it would enable the processor to pay considerably more to the farmer in higher prices for his livestock or to sell the meat cuts much cheaper to the consumer. Of the 232 million pounds of edible vegetable oil imported, 103 million pounds were used in the manufacture of shortening. Is it reasonable to import this oil when we have good Canadian fats which will serve the same purpose and render a fair return to Canadian agriculture?

I suggest to this house that we should at least put a limit to this ever increasing volume of imported edible vegetable oil, and peg it where it is. As our country grows this will gradually work to the benefit of our own good Canadian fats and oils.

I must confess that I take no pleasure in speaking on a problem which has been increasing for the past few years for the rubber footwear workers in my riding and in three ridings in Quebec, at Granby, St. Jerome and Lachine. The rubber footwear industry in Canada is 100 years old and until recently employed as many as 7,500 people, two-thirds of whom live in Quebec and one-third in Ontario. Generations have contributed to the skill and ingenuity required in this trade, and Canadian footwear has set a standard all over the world.

Not long ago Canadian footwear had a high volume of export business. Farmers, fishermen, lumbermen and miners in most foreign countries accepted it as top quality and our factories were humming. It was not surprising that other countries took up this industry and developed a product patterned exactly on our models. With cheap labour and lower costs it is also not surprising that they have taken away practically all our export business. But what is more surprising still is the fact that these substandard, starvation-wage operators have gained a foothold for their footwear in Canada in such volume that if it continues this hundred-year old Canadian industry is most certainly doomed.

The least difficult lines are naturally being taken over first. Rubber canvas shoe imports into Canada started in 1949, and have now reached 54 per cent of the Canadian market with 2,186,928 pairs in the first ten months of 1955. Canadian-made shoes had a corresponding reduction in Canadian sales. Waterproof rubber footwear, which is a different line, is now being shipped into Canada in ever-increasing quantities. Standing at less than 1 per cent in 1949, imports of rubber boots and rubbers have now increased to 945,652 pairs, which represents 8½ per cent of Canadian requirements in the first ten months of 1955.

The effect of this loss of business on Canadian employment is a reduction of persons employed from 7,350 in 1948 to 4,500 in 1955. Some of the rubber companies have ceased operations in footwear and have absorbed these workers into tire making. Some of these footwear factories are in small towns where there is very little other employment available.

Foreign competition, principally from Hong Kong but also from Japan and other low-wage countries, has taken advantage of low labour costs. Their wages are so low that theirs is an altogether different way of life, paying 7 cents per hour to girls as compared with $1.45 per hour for the same operation in Canada. Men earn from 10 to 15 cents per hour in Hong Kong.

We know this is a real problem for the Department of Trade and Commerce, and we realize that we must buy from these countries if we wish to continue to sell them our wheat.

Higher tariff protection is not the answer. A fair valuation for duty purposes based on fair Canadian costs would help, but I believe that a quota would be a fair way to control this unfair competition.

I am sure all members of this house will agree that we must not allow this industry to be eliminated. If trouble comes we can be sure that we cannot depend on Hong Kong and Japan for this essential commodity, holding a high priority for the armed forces, the farmer, the miner and the fisherman and every Canadian.

There is nothing in the present trade agreements to prevent these substandard countries from taking over our entire rubber footwear business, and they are already working on the production of automobile and truck tires. A delegation from Japan recently visited one Canadian footwear manufacturer and boldly proposed that they would make a highly profitable deal with him if he would stop manufacturing and allow them to supply his entire needs according to his own models and specifications.

The four members who have rubber footwear plants in their ridings earnestly request this house to seriously consider the future of these remaining 4,500 workers and the essential character of the product they make. In the announcement of GATT agreements it was clearly explained that if any Canadian industry were threatened, escape clauses could be invoked. The three members from Quebec join me in the claim that this is a clear case of such a threat, and we ask your serious consideration of this problem.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I want to say just a few words by way of introduction this evening, and with your permission I shall go no further than to refer to the remarks of the two speakers who have preceded me. I think I am fortunate in the position in which I find myself this evening, that is so far as the type of speech delivered by the two previous speakers is concerned.

The hon. member for Waterloo North (Mr. Schneider) referred to the fact that the team which is striving for Olympic honours for Canada this year is the well known Kitchener-Waterloo Dutchmen. I should like to inform the house that one of the leading players on that team, as a matter of fact the captain, is a product of my native city. Jack McKenzie was raised in Brandon and played for the Brandon Wheat Kings in the early part of the fifties. He grew up in my neighbourhood and was a member of my boys' group. I am sure that with such an outstanding specimen from the west the Dutchmen may be assured of success in their tour overseas.

I am speaking tonight from a slightly different location in the house than that which I occupied last year. I have moved to the left, but I want to assure you that that is only in a geographic sense. As I listened to my worthy friend and colleague, the hon. member for Kootenay West (Mr. Herridge), I thought if I had been moving around my constituency and had been asked to describe some of the members of the house I would have described the hon. member for Kootenay West as being the best Conservative in the C.C.F. party. It was an excellent Conservative dissertation which he gave the house tonight. I do not know who is influencing whom since I moved down to this corner of the chamber.

Rather than go further with my remarks tonight, I wonder if it would be possible for me to adjourn the debate.

On motion of Mr. Dinsdale the debate was adjourned.

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:

CANADA-UNITED STATES EMIGRATION

Question No. 4—**Mr. Murphy (Lambton West):**

1. How many people have emigrated from Canada to the United States in each of the years, 1954 and 1955?

2. How many of these were university graduates, and of such graduates, how many graduated as engineers?

3. How many people emigrated from the United States to Canada in each of the years, 1954 and 1955?

Answer by: **Mr. Pickersgill:**

1 and 2. The government of Canada does not maintain statistics on emigration from Canada to the United States.

3. Immigration to Canada from the United States in the calendar years 1954 and 1955 was as follows according to the records of the immigration branch:

Calendar year	Number
1954	10,110
1955	9,760*

In addition to the immigration totals shown above, the following table shows the number of Canadian citizens who returned to Canada for permanent residence, following residence in the United States, in the calendar years 1954 and 1955:

Calendar year	No. of returning Canadians
1954	4,516
1955	3,554 (11 months total)

* Statistics for December are not yet available.

BUTTER STORAGE AND SALES

Question No. 8—**Mr. Blair:**

1. How many pounds of butter were in storage as of January 1, 1956?

2. Of these, how many pounds have been in storage since before July 1, 1955?

3. To what countries has butter been sold since July 1, 1955?

4. How many pounds were sold to each country and at what price per pound for each shipment?

Answer by: **Mr. Gardiner:**

1. The bureau of statistics reports that there were 100,030,000 pounds of creamery butter in storage on January 1, 1956.

Of this quantity the agricultural prices support board owned 81,215,517 pounds.

2. No information is available on private holdings which were in storage before July 1, 1955, but the agricultural prices support board still held 36,548,517 pounds of butter in storage which had been purchased before July 1, 1955.

3. Small quantities of butter have been sold to a number of countries since July 1, 1955, by the regular Canadian trade and the government has sold butter for export basis Canadian seaboard. Documents indicate that the butter sold for export from government stocks was destined for East Germany and Czechoslovakia.

4. Government sales shipped since July 1, 1955, include 6,024,760 pounds in two shipments en route to East Germany on the basis of 37 cents per pound f.a.s. Montreal and 895,639 pounds en route for Czechoslovakia on the basis of 39 cents per pound f.a.s. Montreal.

COARSE PAPER COMPANIES PROSECUTION

Question No. 27—**Mr. MacInnis:**

1. Who were the lawyers for the crown in the prosecution of the coarse paper companies at Vancouver in 1955?

2. What amount was paid to such lawyers for (a) fees; (b) expenses?

Answer by: **Mr. Garson:**

1. G. S. Wismer, Q.C., and L. H. Jackson, both of Vancouver.

2.

	Fees	Disbursements	Total
	$	$	$
G. S. Wismer, Q.C.	23,421.82	1,482.36	24,904.18
L. H. Jackson ...	18,469.50	1,426.99	19,896.49
Total	41,891.32	2,909.35	44,800.67

FINE PAPER COMPANIES PROSECUTION

Question No. 28—**Mr. MacInnis:**

1. Have prosecutions been instituted against the fine paper companies in Vancouver which were alleged to be violating the provisions of the Combines Investigation Act?

2. If such companies were prosecuted, who were the lawyers for the crown?

3. What amount was paid to such lawyers for (a) fees; (b) expenses?

Answer by: **Mr. Garson:**

1. No. The report of an investigation into alleged combines in the manufacture, distribution and sale of fine papers made in October, 1952, named seven manufacturers and 32 wholesalers as parties to alleged combines. All the manufacturers and the majority of the wholesalers were located in Ontario and Quebec. One prosecution only was brought and that was in Ontario, charging the Ontario and Quebec parties.

2. Answered by No. 1.

3. Answered by No. 1.

HOUSE OF COMMONS

Tuesday, January 24, 1956

The house met at eleven o'clock.

POST OFFICE DEPARTMENT

PETERBOROUGH—REFERENCE TO INSTALLATION OF TELEVISION EQUIPMENT

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to address a question to the Postmaster General or to his parliamentary assistant. I have not given notice of the question because I thought they would know the answer. The question is this. Is the Post Office Department going ahead with the installation of television spying equipment in the Peterborough post office despite coast to coast protests against depriving the worker of his privacy?

Mr. Dufresne: The post office officials have been wrong.

[*Later:*]

Mr. Fraser (Peterborough): As the Postmaster General is now in his seat, would he be able to answer the question I asked just a few minutes ago?

Hon. Hugues Lapointe (Postmaster General): As the hon. member has just pointed out, when he put his question I was not in the house. Would he repeat it?

Mr. Fraser (Peterborough): It is my fault. I thought one of the cabinet ministers had told the Postmaster General what the question was. My question is: Is the Post Office Department going ahead with the installation of T.V. spying equipment in the Peterborough post office despite protests from coast to coast against this equipment?

Mr. Lapointe: First may I say, Mr. Speaker, and I believe it has already been pointed out, that the installation of the T.V. system in the Peterborough post office is being undertaken purely on an experimental basis and it must be taken as such. It is meant to replace, if it proves to be practical, economical and successful, the observation galleries which exist in post offices throughout the country and have been used for the last 60 years, so I am informed, not only in the postal service of this country but in other postal services elsewhere. The system would not be used for any purposes other than those for which the observation galleries are designed and are being used at the present time. If, as I say, this system proved to be practical, economical and worth while and was installed elsewhere, those are the only circumstances and conditions under which it would be used.

PROVISION OF DOORS ON WASH ROOMS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to ask the Postmaster General a further question in regard to the Peterborough post office. Has consideration been given to putting doors on the wash rooms in the Peterborough post office?

Mr. Speaker: Order. May I suggest that perhaps hon. members are using this question time in order to save themselves a certain amount of correspondence.

Mr. Fraser (Peterborough): No.

Mr. Speaker: So far as I have heard, the question is certainly not one of urgent and national character.

Mr. Fraser (Peterborough): Mr. Speaker, the postal workers throughout Canada think it is urgent to have doors on wash rooms.

Mr. Speaker: I sympathize very much with the opinions of the postal workers of Canada, but unfortunately they are not members of this house, nor do they occupy the chair.

FREIGHT RATES

LUMBER—INQUIRY AS TO PROPOSED RATE INCREASE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Transport. Has the minister received any representations opposing a proposed 7 per cent increase in freight rates on lumber effective February 25 of this year? If so, will he inform the house of the position taken by the Canadian National Railways?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member for Vancouver-Burrard (Mr. MacDougall), the hon. member for Vancouver-Kingsway (Mr. MacInnis), the hon. member for Nanaimo (Mr. Cameron) and the hon. member for New Westminster (Mr. Hahn) have all

drawn my attention to the question of a proposed increase in freight rates on lumber and lumber products moving from western Canada to eastern Canada.

Mr. Philpott: Also the hon. member for Vancouver South (Mr. Philpott).

Mr. Marler: And also, as the hon. member points out, the hon. member for Vancouver South. I should merely like to inform the house that an application has been made by both railways to the board of transport commissioners for an increase in the rates to which I have just referred. Those who are opposed to the increase will have a period of 30 days, which I understand ends on February 25, in which to make representations to the board of transport commissioners on this subject.

Coming to the more specific question of whether I have received representations on the subject, I should like to say that I have received a telegram from the secretary-manager of the interior lumber manufacturers' association asking me to use every means at my disposal in the interests of the British Columbia lumber industry to prevent this unjust and unnecessary 7 per cent increase in Canadian rates. I may say that I have transmitted this telegram to the board of transport commissioners.

CROWSNEST PASS AGREEMENT—INQUIRY AS TO UPWARD REVISION OF RATES

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister's attention been drawn to a recent press release in which the president of the Canadian Pacific Railway attacked the Crowsnest rate charges as being neither just nor reasonable? If so, can the minister give an assurance that there will be no upward revision of the Crowsnest rates?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, in answer to the questions just put by the hon. member, I wish to say that my attention has not been drawn to the press release to which he has just referred. So far as the Crowsnest rate is concerned, an upward revision is not under consideration at this time.

GRAIN

REPORTED MOVEMENT OF EMPTY BOX CARS TO BRITISH COLUMBIA

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to ask the Minister of Transport a question of which I sent him notice in last night's mail. In view of the shortage of box cars for western grain, can the minister state whether the Canadian National is in fact shipping a large number of cars empty out of Edmonton into British Columbia, I presume to pick up the lumber about which he has just been speaking? Can he state the numbers, if such is the fact, and could he suggest to the management that such cars might better be employed being sent there full?

Hon. George C. Marler (Minister of Transport): The hon. member was good enough to send me notice of his question but it reached me only about three-quarters of an hour ago and I have not been able to obtain the information necessary to answer it. I shall try to obtain it by tomorrow.

THE MINISTRY

INQUIRY AS TO CABINET REPRESENTATION FOR SOUTHERN ONTARIO

On the orders of the day:

Mr. George H. Hees (Broadview): In view of the results of the recent Spadina by-election, can the Prime Minister state whether or not the great industrial belt in southern Ontario might expect to be represented in the cabinet in the near future?

Right Hon. L. S. St. Laurent (Prime Minister): I do not think that is a question I should answer on the orders of the day.

NATIONAL DEFENCE

DIVE BOMBER TRAINING—INQUIRY AS TO USE OF CHIPMUNK AIRCRAFT

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I should like to direct a question to the Minister of National Defence or in his absence to his parliamentary assistant. Has dive bomber training, as was practised during world war II with Harvard aircraft, been discontinued or is it still continued as part of the training program? Has the Chipmunk aircraft not replaced the Harvard aircraft as a primary trainer?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): In the absence of the minister may I take this as notice of the question?

HOUSING

REQUEST FOR LOWER INTEREST RATE ON N.H.A. LOANS

On the orders of the day:

Mr. Claude Ellis (Regina City): I should like to direct a question to the Minister of Public Works or his parliamentary assistant.

In view of a statement in the *Globe and Mail* that the metropolitan Toronto council had stated in its brief to the royal commission on economic prospects that less than a third—

Some hon. Members: Order.

Mr. Ellis: —of the families in that area earn the minimum income to qualify for an N.H.A. loan—

Some hon. Members: Order.

Mr. Ellis: —will the government consider lowering the interest rate on N.H.A. loans so that a higher proportion of low income people can qualify?

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): I am not aware of this statement but I will look it up and try to give an answer tomorrow.

FISHERIES

BRITISH COLUMBIA—REFERENCE TO PROPOSED MORAN DAM ON FRASER RIVER

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I address a question to the parliamentary assistant to the Minister of Fisheries? I discussed it with the minister yesterday, but I am not sure whether the hon. gentleman had an opportunity to bring it to the attention of his assistant. Has the Department of Fisheries, or the government as a whole, received any representations from the government of British Columbia, or any other body, regarding the proposed Moran dam on the Fraser river? If so, are discussions under way as to ways and means by which the interests of fisheries and power would be reconciled?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I was absent from Ottawa yesterday and was prevented from discussing this with the departmental officials. I will do so as soon as possible and give the hon. member an answer tomorrow.

POTATOES

INQUIRY AS TO AGREEMENT WITH STARCH PRODUCERS IN NEW BRUNSWICK

On the orders of the day:

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has any agreement been entered into or consummated between the government or the Department of Agriculture and the starch manufacturers of New Brunswick? If so, what proportion is the government going to pay per barrel of potatoes in the diversion program for starch?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, as I suggested to the hon. member the other day when he was discussing the matter, we have made a proposal to the people of New Brunswick. That proposal has gone to the government as well as to the producers, and we are prepared to carry it out. It is in the exact words of the document that I sent over to him the other day.

Mr. Montgomery: I take it that nothing further has been done?

Mr. Gardiner: As the hon. member told the house the other day, we have had our officials down there. I am not sure that they are back yet. They have been down there discussing the whole question with the people of New Brunswick.

INCOME TAX

REQUEST FOR AMENDMENT MAKING COST OF OXYGEN DEDUCTIBLE EXPENSE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance? Is the minister aware that the cost of oxygen to keep a patient alive has been disallowed as a deductible expense and that this disallowance has been confirmed by the income tax appeal board? Will the minister consider amending the act to take care of this unfair situation?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I am aware of the decision of the income tax appeal board. As has been the custom with all my predecessors, we consider all tax matters every year.

FRUIT

NOVA SCOTIA APPLES—INQUIRY AS TO STATUS OF ARRANGEMENTS

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Have final arrangements yet been made between his department of the government and the growers of apples with respect to the proposals made by the government two weeks ago?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the apple proposals are in much the same position as the potato proposals. We have made the proposals to the officials in Nova Scotia and have had men down there consulting with them.

EGGS

PROCEDURE FOLLOWED WITH RESPECT TO SUPPORT PRICE

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to direct a question to the Minister of Agriculture. Does the government take the eggs when they go below the floor price of 38 cents?

Right Hon. J. G. Gardiner (Minister of Agriculture): The egg proposals are a little different from the butter proposals. Under the butter proposals there is a standing offer of 58 cents a pound for grade A butter, but under the egg proposals we undertake to take any eggs which are in storage as of the first of December in the year in question. In the meantime, we shall consider only the taking of eggs which have been purchased at or above the floor throughout the year. Records of that are kept throughout the year, and then it is dealt with towards the end of the season.

Mr. Hodgson: May I ask a supplementary question? Is the minister aware that the eggs are selling at the grading stations now from 27 cents to 35 cents, and at 35 cents for grade A large?

Mr. Gardiner: Thirty-five cents would be about it. The price is 38 cents plus carrying charges as of December 31, and it would still be above the floor at 35 cents out in some country districts. As a rule, the average is 32 cents.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 23, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Drew, and the amendment to the amendment of Mr. Hahn.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, as a member of this house from western Canada, I would be very remiss in my duty if I did not take the opportunity at this time to deal with the critical grain marketing situation prevailing on the prairies.

Last fall I received continued representations from the farmers in my area concerning this problem and, in addition to the representation from individual farmers, I also had the privilege of meeting with the representatives of the various farm organizations. I recall that, at the session we had with the board of directors of the Manitoba federation of agriculture, one of the warnings they issued was that the various political parties in this house should not play politics with this critical situation. I think, Mr. Speaker, that was a very necessary warning because, almost from the earliest times of wheat production in the prairie region, there have been politicians in the wheat bin, and it has not helped at all to clarify the situation.

As I have listened to other hon. members from western Canada speak on this topic, it has been encouraging to note that there is a large degree of unanimity among the members of the opposition regardless of their party affiliations. It has been encouraging to note that it appears for the first time that we are going to have a united vote of protest on the part of the combined opposition in a matter pertaining to the welfare of our grain growing farmers on the western prairies. One of the difficulties through the years has been the variety of solutions and opinions which have been expressed by western members in regard to the grain problem. I think it will help considerably in rallying the attention of the government to this problem if we have this united vote on the matter.

If we are going to achieve any semblance of good government under our democratic system we must avoid extremes. The tendency which has been peculiar to western Canada, based largely on the continuing economic instability, to pursue extreme philosophies to their conclusion undoubtedly has worked against the general welfare of the west.

Mr. Speaker: I am sorry to interrupt the hon. gentleman, but may I ask hon. members who are supposed to be listening to try to achieve that result as much as possible.

Mr. Dinsdale: These differences of opinion, arising largely from the pursuit of extreme philosophies to their logical conclusions, should be worked out within the framework of national parties and not in the House of Commons on the basis of multi-parties. I emphasize again that that is one reason why I am delighted to see this unanimity of opinion at this time.

Unfortunately we have not been able to gain the support of western members who support the government, and that is quite understandable. As I have listened to the statements of the various ministers directly responsible for dealing with this matter it appears to me that there is a sharp difference of opinion in their respective appraisals of the problem. I am reminded of the opinion of Sir Winston Churchill when he was required from time to time to deal with urgent

problems facing the nation and had to consult with the economists of the day. He summed it up by saying, "Whenever I ask England's six leading economists a question I get seven answers, two from Mr. Keynes".

As I have listened to the interpretation of the problem given by the various ministers responsible I am persuaded to paraphrase Sir Winston Churchill: that whenever we listen to the answers from the various ministers, the Minister of Trade and Commerce (Mr. Howe), the Minister of Agriculture (Mr. Gardiner), the Minister of Labour (Mr. Gregg) and the Minister of Finance (Mr. Harris), we get a different answer from each and two from the Minister of Trade and Commerce.

That conclusion arises largely from the speech made in this house just over a week ago by the Minister of Trade and Commerce. I listened to it carefully at the time and I have since tried to analyse it carefully as it appears in *Hansard*. In examining it I have come to the conclusion that it was merely the use of the red herring technique, an appeal to the traditional prejudices of the prairies in order to divide the western members on this issue. It was not a very subtle appeal and not nearly so skilfully done as has happened in the past in the case of a former Liberal prime minister of this country.

The speech lumped together the *Financial Post*, the Winnipeg *Free Press*, the C.C.F. party and the farmers' union as being out to destroy the wheat board by advocating cash advances on farm stored grain. The most amazing part of the whole speech was that it linked the C.C.F. and the farmers' union with the grain exchange which has become the scapegoat for the perpetual grain problem on the prairies. That was an amazing burst of demagogical oratory and, of course, it will not go over very successfully on the prairies. There have already been press reactions to that effect.

It was further intimated that it was not the farmers who were advocating cash advances on farm stored grain but rather the city boys. As I have indicated, this is amazing to me and, having seen the situation as a western member, it is completely out of touch with reality. In fact, as I examined the speech from the throne I came to the conclusion that in dealing with this matter it was also out of touch with reality. The only reference to the problems of the grain farmers was something to the effect that some sectors of the economy are not participating fully in Canada's high level of prosperity. That is true, and it has been true over the years so far as our western agricultural economy is concerned.

If we examine the history of grain production on the prairies, it has been one series of crises after another, at one time a period of shortage, at another time a period of abundance, although in recent times periods of abundance seem to occur more frequently than periods of shortage. That of course is largely due to changed production techniques, mechanization on the farms and so on. As a westerner raised on the prairies, my whole life has been influenced strongly by these continuing fluctuations and changes. My father, who homesteaded in the west in the early days, went broke during one of these critical periods.

Our problems with respect to lack of adequate financing for education, etc., largely arise from the uncertainties of the western grain producing economy. The loss of our young people through migration to eastern Canada and also south of the border in search of job opportunities is intimately connected with the unstable economic situation that has always prevailed on the prairies. It has resulted in widely fluctuating prices. It is connected of course with the inherent instability that is peculiar to agriculture and, as far as grain is concerned, arises largely from the fact that we are dependent on an uncontrollable and unpredictable export market to dispose of the major part of our production.

Today, and I would emphasize this point, the problem is much more serious than it ever was because it is connected with rapidly changing external conditions that affect the Canadian economy, among them being the declining world market for grain. In this connection it is significant to note that even India is making an attempt to become self-sufficient in the production of wheat. We need hardly refer to the stiff competition we are receiving from the United States producers. That matter has been discussed at length.

As well as the change in the external economy, we have the rapid changes in the internal economy as Canada proceeds from a primary economy depending on extractive industries to a secondary economy depending more and more on manufacturing. It only stands to reason that prairie agriculture, based largely on one product, will be caught in a vicious price squeeze as this trend continues. Surpluses are up. The costs are up. Markets are down. As a result, prices are going down. That is the essence of the situation as it faces the prairie producer at the moment.

In spite of the optimistic assurances of the Minister of Trade and Commerce and also of the Minister of Agriculture, from direct contact with producers in my own area—and we are one of the more stable and diversified

areas in Manitoba—I can say that there is an urgent, immediate problem today. It requires much broader treatment than the plan of government bank loans that has been referred to as the Howe plan, and the storage proposals that we shall be considering in this house within the next few days. The latter proposal will of course help, but it does not begin to get to the root of the matter which has caused this perpetual state of economic instability in the prairies since that region was first opened to settlement.

There is a short-term problem and it must be dealt with. As farmer after farmer has indicated, as have all farm organizations from the west, it can only be met by putting cash immediately into the hands of the producers. Farming has changed. It is no longer a subsistence matter where you can carry on your operation within the confines of the one-unit farm. Farming today has become a business proposition and the farmer needs ready cash, as does any other business man, if he is going to carry on his operation successfully. The only way to get that ready cash into his hands is by means of the widely advocated cash advances on farm-stored grain.

The Minister of Trade and Commerce has tried to imply that the farmers are not asking for this measure and he tries to draw a red herring across the trail by saying that it is the city boys who want it and not the farmers. In my area the city boys to whom he refers are the local merchants of the small towns. In my area we have no large cities. They are the local merchants who make up the membership of our town councils, who serve on the school boards and who, in fact, carry the day to day responsibility of grassroots democracy in western Canada. They are the ones who have been making appeals to me.

Three years ago, as a matter of fact, when this surplus problem first began to appear on the prairies, we had community after community going on the strictly cash basis, refusing to extend credit to the neighbouring farm communities because the memory of the thirties was vivid in their minds. They realized that as this surplus problem continued to grow—and actually it has grown—they would not be able to carry the responsibility of financing the farm economy which today operates on a monetary basis rather than on the former subsistence basis. In fact, the farm economy is today much more vulnerable than it ever was in any former period of crisis on the prairies. Hence the city boys referred to are the town merchants—the small businessmen—who are the heart of our local government in this country of ours. Any attempt to arouse the traditional prejudice that exists between farm and city, between the rural areas and the urban areas, is an emotional appeal to try to stir up feelings of hostility and hatred. Today it will not take root.

Then the matter of the threat to the wheat board was emphasized. It was indicated that anybody advocating cash advances was out to destroy the wheat board. This is an appeal to fear because ever since the thirties the western farmer has clung desperately to the wheat board as the symbol for his economic salvation. When criticism of the wheat board arises, it is invariably said that at least 90 per cent of our prairie producers are in support of the wheat board. I would say that statement is broadly true. The reason the farmer is in favour of the wheat board is the instability and the insecurity to which he has been subjected down through the years. Hence you can always arouse a positive response in favour of government proposals if you imply that any other proposal is a threat to the wheat board. It is similar to the "King or chaos" appeal that was made back in 1935. Professor Lower has summed up that appeal in this manner. It will be recalled that the present administration first came to power in this country in 1935. Professor Lower describes the victory as follows:

> The victory was not a tribute to Mr. King. It was not a proclamation in defence of liberty. It was not even in pronouncement on the issues of the day. Liberalism as it emerged in Canada after 1935 was the counterpart of Baldwin Conservatism in Great Britain, of Le Front Populaire in France and of Rooseveltian democracy in the United States. It represented the huddling together of frightened people uncertain of their way in a chaotic world.

I think that is a fair and honest appraisal of the situation then prevailing. Unfortunately you can still get that fear response. The farmers still cling desperately to the hope that they feel lies within the wheat board marketing of their grain which has in the past tended to iron out some of the wild price fluctuations arising from a basically unstable economy. That the cash advance formula is going to destroy the wheat board is a strange suggestion indeed, because the wheat board principle of marketing was established in 1935 in order to deal with the repeated crises that come to our grain economy. If the wheat board cannot deal with the problem existing at the moment, anyone who makes that suggestion is merely indicating that it has fallen short of performing the task it was originally designed to perform. Perhaps it is high time that we had a complete reappraisal of the grain

marketing problem in the light of changed conditions to see wherein the present methods are impractical.

There is just one more point in the speech to which I should like to refer briefly. There was an indication that the western farmer, if he were given cash advances for his grain, might before the time period expired, dispose of the crop already covered by the cash advance other than to the wheat board. He might sell it for feed to local farmers and so forth. This implies that the western grain producer is dishonest. I feel that is the last implication that could be made in his case. I am sure the Minister of Justice (Mr. Garson), who comes from the west, would be only too willing to support me in this conclusion. During the thirties when governments came to the assistance of local municipal councils the farmers, at least those in Manitoba and my area, would not take full advantage of the money available to relieve them of their financial difficulties because they felt that in the long haul they would be able to take care of a major part of their accumulated indebtedness.

Farmers are essentially honest. Local governments are scrupulously honest. They do not behave in the way that the large centralized government in this country might have a tendency to behave. There is no reason at all for distrusting the integrity of the prairie farmer in this cash advance proposition.

While there is a short-term problem which must be dealt with by immediate emergency measures, there is also the continuing long-term problem which has been with us right from the beginning. As I have intimated this problem is aggravated today, Mr. Speaker, by the changing circumstances of the Canadian economy. We are moving to a secondary phase of production. Unfortunately Canada, unlike other countries that have passed through that transition, is not following the traditional paths of young countries progressing from primary activities like agriculture, forestry, mining and oil drilling into the more advanced activities such as manufacturing. We are still mainly occupied in producing raw materials which the more advanced countries like the United States make into finished products. We are hewers of wood and drawers of water for the more highly developed countries, and this has been the deliberate policy of our government.

Actually, the manufacturing share of the national income is not as impressive as it appears from a superficial observation. It has been dropping off since the peak year of 1943. We must remember that in this manufacturing are included such activities as sawing logs, producing pig iron, pulp and paper, smelting and refining of non-ferrous metals. Even including those, the manufacturing share of the national income has been dropping off from the peak year of 1943.

The next point I do not have to emphasize. It has already been adequately discussed by several members, including the leader of the C.C.F. party. This manufacturing process has come largely under the control of United States influences, and that again is a development that needs very close scrutiny by Canada. Recently, many voices have been raised on this subject. The most recent that has come to my attention has been that of our own Manitoba minister of industry and commerce, Mr. Turner. Speaking in New York last week, he invited further United States financial and technological aid in western Canadian development, but called also for a greater Canadian share in the ownership, financing and management of Canadian subsidiaries of United States companies. Canadians are not happy when they find themselves outside in their own country. These are words from our Manitoba minister of industry and commerce. This is becoming a matter of increasing interest in this country and it is something that bears very directly on the economic problem that we have in the midwestern region.

There is one more difficulty in this switch from primary to secondary industry. It is all concentrated in one part of Canada, mainly along what has become known as Canada's Ruhr valley, the St. Lawrence river. Unfortunately, because of that concentration, the western provinces are not finding the degree of secondary industrial activity to take up the economic slack that is resulting from the changing nature of our agricultural industry. I am reminded by an hon. member from the maritimes sitting behind me that it is also a problem that is peculiar to the maritimes. Western Canada is ripe for the establishment of industries. Our Manitoba minister is constantly harping on that theme. Opportunities have been missed by this government, particularly in the very extensive defence industry development.

The Minister of Defence Production (Mr. Howe, when he was asking for special powers to deal with defence emergencies, stated at page 5379 of *Hansard* for June 28, 1955:

> I do not know whether they were thinking about the amounts of money I am talking about, but I can just tell you this. In the case of the Orenda engine and the CF-100 aircraft we had paid A.V. Roe Company $122 million before the first finished aircraft was delivered.

I believe $122 million would go a long way towards sparking our western Canadian economy and the production of military aircraft is largely a non-economic business. The government of Canada is the only customer and that sort of operation could take place successfully anywhere in the Canadian economy.

Private companies have begun to establish branch plants in the west. This is one of the most encouraging developments because it may overcome this long-term economic difficulty. If the government would reduce its high level of corporation taxes, I am sure we would see more of that sort of decentralization occurring. A start was made in this direction last year by the Minister of Finance (Mr. Harris) and we heartily endorse that procedure.

Now, Mr. Speaker, to bring these remarks to a conclusion, I should like to point out that Manitoba, while it is suffering from the general problems of agriculture on the prairies, is perhaps not so seriously affected as is Saskatchewan. We have a diversified economy, both on the farm and in the urban areas to a larger degree, but we are still not participating fully in the tremendous upsurge of development that has taken place in this country during the past 10 years.

Several Liberal speakers have intimated that the members of the opposition preach blue ruin. My friend and neighbour from the constituency of Lisgar made much of this sentiment that the opposition are out to preach blue ruin, and particularly the leader of the official opposition. Well, I take very decided issue with that because in his trans-Canada tour last year he preached anything but blue ruin. I have before me the newspaper report of the speech he made in Manitoba's oil town of Virden. He used words to this effect:

"Many Canadians are still not fully aware of what has happened in their country during the last twenty-five years. From the United States border to the Arctic there has been development almost beyond the scope of imagination."

Mr. Drew said he has completely sounded out the picture during his travelling throughout the country, and it boils down to a decision between developing our own country or farming out the job.

"The right answer, if we make it, will result in industrial development across the nation, increased employment and the elimination of seasonal unemployment.

"This is the beginning of Canada's golden age, an age of vast expansion and even wider contribution."

I submit, Mr. Speaker, that that is far from the blue ruin charge that Liberal spokesmen have made against the opposition and against the Leader of the Opposition in this debate.

[Mr. Dinsdale.]

In conclusion, I say I can heartily endorse the amendment that is before the house in these words:

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

There are shortages of steel, shortages of nickel, shortages of aluminum, according to the Minister of Trade and Commerce, (Mr. Howe). The United States is going ahead with a multimillion dollar steel expansion program. Russia has threatened that in the next five years she is going to outstrip the west in production. Canada has a large role to play in the west's program of development, not only internally but externally. If the government in office cannot carry the burden I would suggest that it move out and make room for somebody else who can do the job.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, may I at the beginning add my word—and I do this most sincerely—of congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address. If I do this without any adjectival embellishments, it is not because I do not think that it has been richly deserved, but because at this stage of the debate I feel they may be getting a little bored with these expressions. May I merely say—if I may make use of the expression—that it is a fine example of mixed doubles in action.

I propose, Mr. Speaker, this morning to discuss first the question of the export of military equipment to the Middle East and secondly—and this I hope will put the first question in perspective—the political situation in that part of the world, with particular reference to the relations between Israel and her Arab neighbours.

As to the first question, I wish to outline the principles which governed the policy of the government in this matter and then give particulars regarding the application of those principles and that policy, both as to the procedures that are followed and the results in terms of shipments over the last two years.

This question was first raised in this session, Mr. Speaker, by questions from the hon. member for Winnipeg North (Mr. Stewart), on Wednesday, January 11, when he asked whether there had been any recent—I emphasize that word recent—shipments to or orders for aircraft for Egypt. The question reached me an hour or so before the opening of the house. I made immediate inquiries and the facts for the last three months were ascertained in the very short time available.

I replied, therefore, that before giving a final answer I would have to make inquiries of the Department of Trade and Commerce, but I added that I did not know of any such recent orders or shipments, having in mind by "recent" the period of the last two or three months, which I had already examined.

Later, Mr. Speaker, after I had checked further back I stated on Tuesday, January 17, that while there were no recent orders, a request for 15 Harvard trainers received last June was approved in July, and that three of these had been shipped the day before I made this statement, that is, on January 16, in consequence of an export permit which had been granted early last September to a private company. As soon as that information was received, it was given to the house. There was no concealment and no delay. There has been a suggestion that there was a suspiciously long period of six days between the question and the final reply. Well, Mr. Speaker, as you know two of these days were Saturday and Sunday when parliament was not sitting, and the hon. member himself who asked the question had already asked me on the Friday not to give the reply, which I had ready on Monday, until Tuesday as he would not be in the house until then. So I suggest there is nothing to any suggestion that there was any undue or suspicious delay.

The hon. member has, in the house and to the press outside of the house, made statements on this matter which I feel are not accurate and that I think is surprising because of his demand, his very right demand, for scrupulous accuracy in respect of the information which he asks from the government.

He said, for instance, to the press or he is at least reported by the press as saying on January 11 that, according to reliable information, 25 Harvards had been shipped to Egypt by Canadian Car and Foundry Company. That, Mr. Speaker, was not the case and because the Egyptian ambassador denied that statement, as well as another inaccurate press statement that army type trucks were about to be shipped to Egypt, the hon. member saw fit to make a personal attack on him. I am sorry, Mr. Speaker, that he felt it necessary to make this uncalled for attack on the representative in Canada of a power with which we have now, and for long have had, friendly relations.

The hon. member also—drawing from his experience as a visitor to Israel last summer—is reported in the press as saying that these 15 Harvard trainers could wreak havoc out there. That is, of course, an exaggerated and misleading statement as anyone who knows anything about the capabilities and purpose of these aircraft would realize, and the opposition that they would encounter if they took to the air as combat aircraft. It is true that after reconversion operations, which the Minister of National Defence (Mr. Campney) said yesterday would take two months, you could put guns in these Harvards, but even that does not make them into effective combat planes, as my hon. friend knows. You can put a Bren gun on a bicycle but that does not make it into a tank.

Now, what are the principles, the rules governing the shipment of military equipment from this country? These principles are the result of careful consideration and are, I think, sound and reasonable. The decisions based on them are made only after studying the relevant factors in every case submitted to us. The system of controls and checks through which policies and decisions are carried out is as effective as that of any other free country.

The basis of our control system is the Export and Import Permits Act of 1954, which superseded the Export and Import Permits Act of 1947. Incidentally, both these acts were discussed in the house and the earlier one was referred to a committee, and in all the discussion of these two acts no reference was made at that time by the hon. members opposite to the question of arms shipment. Under the act of 1954 it is illegal to export or attempt to export to any destination affected any item included in an export control list except under an export permit issued by or under the authority of the Minister of Trade and Commerce.

The exporter must present this permit at the time he clears his shipment through Canadian customs at the port. The Minister of Trade and Commerce has the power to amend, suspend or to cancel permits if changing circumstances should render this necessary after issuance of a permit and before a shipment is made. The act provides severe penalties for those convicted of offences. The powers for enforcing the controls, imposing severe penalties, and revoking permits if circumstances so require are provided in that act. Shipments are, of course, checked by the customs authorities at the ports and action can be taken then as well as at the permit stage if required. Procedures are also laid down to prevent diversion and there is co-operation with many governments in the free world to ensure that so far as possible such procedures are effective.

There was published in the *Canada Gazette* on May 27, 1954, the export control list established in accordance with the provisions

of the act. Group 8 within that list is headed, "Arms, Ammunition, Implements or Munitions of War; Military, Naval or Air Stores". The list of arms, aircraft, etc., specifically includes parts of these various items. So much for the legislative basis for our policy.

The following principles govern the policy of the government in carrying out this act.

(1) In the case of certain allied and associated states, for example, NATO and most commonwealth countries there are no restrictions on the export of military equipment, except—and the exceptions are important—those of supply, of domestic requirement and of security.

(2) No shipment of any kind to the Sino-Soviet bloc is permitted.

(3) Shipments of any significance are made to other areas only after consideration and approval at cabinet level, according to a procedure which I will later describe. Special attention is given—and special care shown—in respect of areas of tension or strife or what we call sensitive areas. A list of such areas, they are now 34 in number, is kept and, naturally, is modified from time to time as conditions change.

(4) Arms shipments are made only to the defence department or regular military establishment of the country concerned; and the recipient government may be required to give appropriate assurance regarding re-export.

(5) Shipments are not permitted if, in our opinion, they exceed the legitimate defence requirements of the state in question or which would themselves constitute a threat to neighbouring countries.

(6) Shipments are not permitted to sensitive areas of arms of such a character that they might increase any temptation to commit an aggression or begin a preventive war.

It is not, however, our policy to put a complete embargo on arms shipments except to the Sino-Soviet bloc, or to other countries, if any, who are a threat to our own security or where the United Nations has declared an embargo.

An embargo on all shipments in other cases, if it became general international policy and practice in the free world, might frustrate the right of nations under the United Nations charter to defend themselves; or it might drive them wholly into the arms of Russia and its satellites as the only source of supply. It might perpetuate inequalities between states in respect of their defensive capacities, thereby creating fear and insecurity; and encouraging aggression. One state might, for instance, have its own defence industries, and another—its neighbour—might be wholly dependent on imported defence equipment. An embargo could not possibly operate fairly in such cases, and might indeed encourage armed conflict over disputed territory. I can assure you that this is no hypothetical argument.

Let us see, for instance, how such an embargo—if it could have been agreed on and enforced internationally—would have operated in the Middle East in respect of Israel and its Arab neighbours. I gather from observations made in this house and outside that this is the policy that is advocated by at least certain members of opposition parties.

This area has been one of tension and unrest and indeed danger from the very day that the State of Israel was created. That creation—it should not be forgotten—was the result of a United Nations decision which Canada supported. If the embargo principle had been adopted, Israel would have been completely powerless to defend her very existence; unless she had agreed in desperation to throw herself into the arms of communist suppliers. If it had suited their purposes, and for a price—and it would have been a high price—the Moscow government which controlled these suppliers would have been quite happy to arrange such a deal.

An alternative, which could be in hon. members' minds, would have been to permit certain quantities and types of military equipment to go to Israel during this period of tension and to allow nothing whatsoever to go to any Arab state in any circumstances. That would, of course, have been considered as an unfriendly policy by those states with which Canada has normal diplomatic relations. Neither this policy nor that of the complete embargo for both sides has, so far as I know, been adopted by any country. Indeed a policy of control which has been adopted by the United Kingdom, the United States and France, the policy which has been accepted by the free world, is that which we ourselves are now following.

Another important principle which we have followed is that of consultation and exchange of information about orders and requests—except those of no significance in quantity or nature—with certain governments who have special responsibilities in this field. We do that so that one country may know what the others are doing and thereby ensure that so far as possible the principles that I have mentioned above are adhered to.

If, for instance, we are asked to supply some ammunition for 25-pounders for a particular country—and we have been asked for that, and it is still before cabinet—we try to

find out, before taking any action, not only whether such an order would be excessive having regard to the number of guns involved, and existing stocks, but whether orders for this ammunition have also been received by other governments. The responsibility for the decision, however, is of course ours.

Now, what is the procedure by which this policy is carried out?

Under the law, as I have said, the export permit must be given by the Minister of Trade and Commerce. Before doing so, if the destination is one of those 34 sensitive areas where consultation is required, he consults with both the Departments of National Defence and External Affairs and acts only after agreement with those two departments. If the application is a particularly significant one, either in quantity or because of the political circumstances surrounding it, and even though the three ministers may have agreed to the permit, the matter is referred to the whole cabinet.

In the case of shipments to NATO or most commonwealth countries, the Minister of Trade and Commerce may act after consultation only with the Department of National Defence, in order to make sure that security and supply factors are considered as well as our own defence requirements.

In all cases where government surplus supplies are involved, the matter must also go to the treasury board for approval. Even after there has been ministerial agreement on an export permit, that board, a committee of the cabinet, may also ask the full cabinet to reconsider a decision taken.

Now, having indicated the procedures laid down, I should like to show how they were applied to the case of the 15 Harvard trainers approved for export last July.

In the spring of 1955 a supplier of these aircraft received inquiries from qualified representatives of the Egyptian government concerning 15 Harvard trainers. There were also received at the same time somewhat less formal inquiries about F-86 jet fighters. There was no problem regarding the jets. The reception by the government to the idea was negative and the matter was dropped even though that order, and others for jets about which we have been approached from other quarters, would have been very attractive commercially and would have assisted in maintaining work and employment in our aircraft industry.

As for the Harvards, the matter was brought to the attention of the Department of Trade and Commerce by the company and referred by that department to the Department of National Defence and the Department of External Affairs for an opinion. The Department of National Defence studied the matter from the point of view of possible domestic requirements and of the military implications of supplying these aircraft to the particular government in question.

Information was also exchanged with certain friendly governments about the request. No objections were raised to the transaction from these or any other quarters. After all these steps had been taken, and as the matter in my judgment raised no new policy issue or important international consideration, and as the planes could not be made into effective combat aircraft, and as the request fell within the criteria I have mentioned already, I gave my approval. The Minister of Trade and Commerce (Mr. Howe) was so informed and an export permit was issued in due course.

Mr. Fleming: May I ask the date?

Mr. Pearson: The first week in September. Before proceeding further I should like to answer the question addressed by the Leader of the Opposition (Mr. Drew) to the Prime Minister (Mr. St. Laurent) in these terms:

> Whether any field artillery weapons are being or have been dismantled and the parts sold separately by the War Assets Corporation under circumstances which would make it possible for those parts to be sold outside of Canada.

That was the question. I am informed by the corporation, on the basis of a check going back to January 1, 1952, that where any gun barrels or breech blocks have been disposed of they have been sold as scrap and in respect of each sale there is evidence available that they were mutilated prior to delivery as scrap. Such scrap also requires an export permit. Surplus field artillery or surplus artillery parts, as opposed to scrap, that is to mutilated parts, can be sold abroad but always subject to the export control procedures I have mentioned.

What are the results of this policy in respect to arms shipments to the Middle East? An impression may have been created that Canadian arms were flowing into that area in great quantities. That is not the case. The amounts involved are small and do not contravene the principles which I have outlined as governing our policy. The impression may have also been given that we were releasing modern and dangerous weapons whose capabilities could disrupt the military balance among the countries in that region and encourage all-out aggression or an arms race. That also is not the case.

There are certain figures I should like to give and I give these figures although similar figures are not given in respect to arms shipments by other countries. In 1954 export

permits for military equipment to the value of $735,574.60 were granted for Israel; for Egypt the figure was only $296; for all other Arab states, none.

In 1955 the figure for Israel was $1,332,-110.59; for Egypt, $770,825; for all other Arab states, $70. The figures for the two years were $2,067,685.19 for Israel, and $771,121 for Egypt.

The Harvard trainers and spare parts for them were responsible for practically the whole of the Egyptian figure. The main items covered by the other figures are:

Harvard aircraft parts
75 mm. shells
Anti-tank equipment
Tracks and spare parts for world war II type tanks (Shermans)
25-pounder guns and accessories
·303 calibre Browning machine guns
3·7" anti-aircraft guns, accessories, spare parts and ammunition (This was a large proportion of the total)

The anti-aircraft guns are of course defensive weapons, and the 25-pounder guns are trailer guns in this case. In respect to the tank tracks and spare parts, which constituted a rather large proportion of the total, we were at our request given written and official assurances that they would not be re-exported and that they were all required for normal maintenance and servicing purposes for the existing stock of tanks. I have available the exact descriptions by item, quantity, value and destination of all the items covered by the totals I have mentioned. I am reluctant to make these figures public as the recipient government—there is only one in this case because in the case of Egypt the totals have already been made public—feels that, in spite of the relatively small amounts involved, the information might be prejudicial to her security. I would, however, be happy to let any hon. member who may desire, see all these details in confidence.

These figures show what has been approved. If there could be shown a similar table for the dollar value of the requests for military equipment that have not been approved the amount would be many times as great. Some requests had to be refused in toto, such as those for F-86 jet aircraft. Others covered a legitimate requirement of a type which did not contravene the principles we had established but in our opinion the amount was excessive for such requirements.

I mention these cases of rejection to make it clear that the procedures I described earlier are not merely a complicated method of in fact releasing everything we are asked for. The procedures do constitute an effective control system. This control has been applied because in the view of the government it is important that Canada should not contribute to the development of an arms race in the Middle East or any place else; that is, should not permit exports which would give either of the conflicting sides—if there is a conflict, a political conflict—a military advantage which the other would be bound to try to correct by increasing its military purchases in turn.

Surely the policies and controls which I have described and the nature of the exports which we have permitted make nonsense of the unfair and extravagant suggestion by the hon. member for York South (Mr. Noseworthy) that our actions in the field were comparable in this field with the activities of the Soviet bloc in these troubled regions. I think on the contrary the evidence is that we have been handling this matter carefully and conscientiously and with a sense of international responsibility.

I should like to turn now to the political situation in the area in order to give the background to the question we have been discussing. It is a situation which has been disturbing and unsettled, as I have already said, since the very foundation of the state of Israel. It is becoming increasingly clear that some solution must be found for the problem of the relationship between Israel and her Arab neighbours if that situation is to improve. If it does not improve it will get worse and the danger of conflict will increase. This is especially the case because there are governments which are cynically hoping to obtain political advantage from keeping the Arab-Israeli dispute burning without any concern for the damage that this would cause the Israeli and Arab people, or the danger to peace that might result. I think there would be no contribution on our part to improving the chances of peace in that area by cutting off all shipments of defence equipment to the state of Israel, if that is the policy of my hon. friends opposite.

It is the realization of this danger, the danger of conflict, which prompted western statesmen recently to offer the assistance of their governments and themselves in helping Israel and the Arab states find a solution for their disputes and problems. We in this government are very much in accord with the spirit of such pronouncements which point to the necessity of a settlement based on conciliation, understanding and compromise, which alone can afford a real basis of security and prosperity for both the Arab and Israeli peoples. The difficulties, Mr. Speaker, are great and the dangers are very real, as they always are when passions are high and feelings are deep.

We can sympathize with and understand the fear felt in Israel when they hear across their borders threats of destruction; and, of course, the United Nations did not establish the state of Israel in order to see its obliteration. Similarly, we can understand the feelings of Arab peoples at the alienation of land which was occupied by Arabs for centuries; we can sympathize with the sufferings of the many thousands of Arab refugees who have been made homeless. But surely to both sides the advantages of a confirmed and secure peace, instead of the present condition of precarious armistice, are so great both economically and politically that a negotiated settlement should not be impossible.

I cannot, Mr. Speaker, mention the armistice without paying tribute here, and I know the house will join me in this, to the work of Major General Burns, the chief of the United Nations truce supervision organization for Palestine. He is not, of course, serving as a Canadian but as a United Nations official. Nevertheless, since he is a Canadian, I am sure that all hon. members are as proud as I am of his devoted and skilful work in safeguarding the armistice in most difficult and, indeed, at times dangerous circumstances, and of the high regard in which he is held by both sides for his sincerity and impartiality.

As hon. members know, I have had the privilege recently of exchanging views with Israeli and Egyptian leaders. In July the Egyptian foreign minister visited Ottawa and I had the honour of being received by the premier of Egypt, Colonel Nasser, at Cairo on my way back from southeast Asia in November. I might at this point answer a particular question put to me by the hon. member for Prince Albert (Mr. Diefenbaker) when he inquired whether I would "equalize" Canada's position in the Middle East by going to Israel, in view of my visit to Egypt. I hope that it may soon be possible for me to visit Israel to see for myself the exciting and constructive things that are being done there. The reasons why I could not do so during my recent journey have been fully explained already, and I will not waste the time of the house in repeating them here, especially as they were made known to and understood in Israel at that time. I was all the more pleased, therefore, because I had not been able to visit Israel on this trip, to welcome to Ottawa at the beginning of December Mr. Sharett, the foreign minister of Israel, who came here at the invitation of the Prime Minister (Mr. St. Laurent). I agree wholeheartedly with the hon. member for Prince Albert that our attitude should be "equal" but I doubt whether anyone would seriously contend that the criterion of such an attitude is an exact and prompt balancing of my journeys to foreign capitals. This "equality" which, as I say, I endorse, must rest on a sturdier basis than that.

In any event, during 1955 two cabinet ministers, two senators and six members of parliament visited Israel from Canada and each spent some time there. The members included the leaders of two parties, and, above all, they included the hon. member for Prince Albert himself. I am flattered, Mr. Speaker—indeed, I am flabbergasted—by the suggestion that all of these visits by such distinguished Canadians were more than equalled by a day and a half stopover by me in Cairo on the way home from a Colombo plan meeting.

My own discussions with Egyptian and Israeli leaders about the problems of the Middle East and my study of these problems, which I share with others in the house, have left me with the impression that, while the issues are complex and difficult, and even dangerous, there is a basic desire for peace on both sides because it is realized, it must be realized, that this is indispensable to social and economic progress. There seems, then, to be at least this foundation upon which a settlement could be reached.

I believe that the western powers are ready and anxious—I know that Canada is —to assist in the achievement of a settlement. I hope sincerely that the Soviet government and its friends are equally anxious. If they are, they will not stimulate and encourage an arms race in the Middle East which can have no good result, except for the political machinations of the stimulators. I agree, of course, with the hon. member for Winnipeg North that the way to blunt the machinations of those who seek to gain advantage from inflaming the troubles of the Middle East is to bring about peace there. I am sure any Canadian government, any government, would wish to do what it could, along with other similarly disposed governments, to assist in bringing about such a peace.

With all respect, however, I do not think that the speech of the hon. member for Winnipeg North made much of a contribution to that end. Among other things he complained of the "passionate admiration" of officials in the London foreign office for the Arabs. His own attitude seemed to me to be one of passionate hostility to the Arab governments. Passion on either side of this issue is not likely to help; indeed, it already has hindered and bedevilled the chances of a settlement. The hon. member implored this government to pay a "more significant part" in bringing about such a settlement.

The attitude he took in the house, however, would make it more difficult, not less difficult, for any Canadian representative, if he were charged with any responsibility in this matter, to be considered as an impartial and objective conciliator and to pay effectively what he referred to as an "honourable part".

It is easy enough to criticize indiscriminately those powers and those persons who have had to cope directly with this complex issue. It is easy enough to put forward proposals which fortunately no one is expected to put into practice. If our response to recent Soviet moves in the Middle East were to abandon friendly relations with the Arab states and support Israel, completely and exclusively, with our diplomacy and our arms, then we should indeed be playing the communist game. The moral position of the western powers in that area is based on the fact that they have, though not without mistakes and contradictions, tried to preserve peace on a basis of mutual accommodation rather than on the triumph of one side over the other. I suggest we must not abandon that position because the Russians have done so for their own purposes.

The important question is, however, how can an honourable and satisfactory solution be brought about? The main issues are now commonly known. It seems clear that both sides, if they recognize the desirability of a settlement, must give something to achieve it, must make some compromise. There can never be a negotiated settlement where one side or the other remains adamant. Each must enter into negotiations prepared for some sort of give and take although, of course, no one would expect one of the sides to make prior or unilateral concessions.

It seems to me that an essential, indeed, a first requirement, is that the Arab states should recognize the legitimate and permanent existence of the state of Israel. That, as I see it, necessitates abandonment by them of the impractical stipulation that we must return to the United Nations resolutions of 1947 which provided for a divided Palestine. The Arab states took up arms to prevent these resolutions becoming effective and I do not see how they can claim the right to have them accepted now as the price of peace in that area. The people of Israel have the right to know that their national existence is not at stake. That seems to me to be fundamental. Efforts to bring peace and all its benefits to the Middle East will be of no avail unless Israel and the people of Israel are released from the overhanging fear which naturally envelops the country as a result of the threats of destruction and of the political and economic warfare directed against it by its neighbours. Deep fear leads to desperate acts which, though they cannot be condoned, may at least be understood. Surely it is essential, therefore, that this basic cause of fear must be removed if there is to be a solution of the Arab-Israeli dispute.

Just as we should like to see Israel freed from the fears and economic pressures which are being imposed on her, we must also hope that the Arab populations will be enabled to move forward toward their goals of economic betterment and social progress. There have, indeed, been concrete proofs that this is the hope of the West.

It may perhaps be said that there is fear also on the part of the Arab states lest they should be attacked. But so far as I am aware, Mr. Speaker, the 1950 tripartite declaration of the three leading western powers is still valid, that they would oppose the changing of borders by force. Moreover, the United Nations is dedicated to the prevention of aggression and the house will be aware of the fact that only recently the security council of the United Nations, in considering a most regrettable development of the Arab-Israeli dispute, gave unanimous evidence of its determined opposition to the resort to aggressive force. These, I maintain, are no inconsiderable safeguards. They would be even stronger if there were permanent frontiers settled by negotiation.

The Arab states on their part are, however, entitled to certain assurances. There must be a fair and honourable solution to the problem of Arab refugees. That is a subject which my hon. friend touched on the other day. The unhappy plight of these refugees is of serious concern not only to the Arab countries and to Israel because it poisons their relations but also, for humanitarian and political reasons, to the whole free world. These unfortunate people have largely been maintained by the United Nations, and Canada has contributed its share toward their support. But that cannot go on much longer. Shelter and a dole are pitiful substitutes for a permanent home and opportunities for gainful work. As I see it, some compensation should be paid these refugees by Israel for loss of land and home. But it is clear that so large a number cannot return to their former land, which is now in the state of Israel whose total population is less than two million; nor in all probability would many desire to live in what would now be to them an alien country. A limited amount of repatriation might be possible such as that which would be involved, for example, in the reuniting of families. For the rest, resettlement

as an international operation, to which Israel among others would make a contribution, seems to be the only answer.

But even more important is the question of boundaries. There are at present, Mr. Speaker, armistice demarcation lines. They are therefore lines which have not been finally determined by a peace settlement. I believe that they could be susceptible to readjustments. This, of course, is by no means to suggest one-sided concessions of territory or any such thing as the "truncation" of Israel which would be crippling to the new state. But perhaps certain boundary rearrangements could be made so as to produce mutually acceptable permanent borders. There is no doubt, in my mind at least, that if the permanent borders could be agreed upon in this way the United Nations would be deeply interested in the maintenance of their security.

In return for the international guarantee which might result from this interest, with security and stability in the area which would result, I should think both the state of Israel and the Arab states would be willing at least to discuss such readjustments at a peace conference table. It seems to me also that any state which would refuse to discuss peace at such a conference table—and on some such basis of principles as that outlined above, although sketchily—would be taking on a very heavy responsibility indeed. I share, however, the optimism of the Secretary General of the United Nations, who is now visiting this area on a mission of conciliation and peace, that such an uncompromising attitude will not be adopted by anyone and that a settlement based on justice and security will be found. Please God it may be so and that this tense and torn area, the Holy Land of so many millions, may become again a land of prosperity and of peace.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, the reading of this statement this morning by the Secretary of State for External Affairs (Mr. Pearson) has served principally to expose the fumbling and floundering way in which the government has handled this issue since it arose in this house. It is not without significance that while this statement was being read by the minister ten officials of his department were reading the same statement in the gallery. I presume they have all had a part in preparing it. One naturally asks this question. With a battery of competent assistants like that why could this statement not have been prepared and submitted long ago? Indeed, since this issue first rose to the point of being a matter of discussion and interest in the house, the attitude of the government and its handling of the issue have been characterized by evasion, want of candour, ineptitude and incompetence or a mixture of all four.

This is the 24th day of January, Mr. Speaker. It was on the 11th day of January, may I remind you—13 days ago—that this question was first raised in the house. It was at that time that the same hon. gentleman from whom we have just received this statement this morning said this as reported at page 9 of *Hansard*:

> . . . I believe I can say at once that I know of no shipments of Canadian aircraft to Egypt or of any orders for such shipments.

That statement, of course, is completely at odds with the information that he has now disclosed to the house. He says he did not know at that time. However, he has told us this morning that this matter was before the cabinet at the end of the summer, that it went through various departments and that the permit was issued in the first week of September. Why the minister did not know what was going on in a matter as delicate as this, namely the shipment of arms to an area of the world that he has correctly described as one in which a sensitive situation exists, will remain a question to be answered, because it has not yet been answered.

I would ask you to look at the whole record of contradictions and evasions in the period of 13 days. If hon members opposite think that they have heard a comprehensive statement this morning, let every one of them be fair enough and honest enough to ask himself this question. If the matter is so clear, so simple and so forthright, why could it not have been delivered to the house many days ago? If it is simple, if it is comprehensive, all the more is emphasis given to the contempt that this government has shown in withholding this information from the house and in not withdrawing earlier contradictory and misleading statements.

I have pointed to that statement made just 13 days ago, Mr. Speaker. It has taken a long time to correct that one. It will not be forgotten that, on the following day when the question was renewed in the house, the inquiry was met with evasion on the part of the Secretary of State for External Affairs and the Prime Minister (Mr. St. Laurent).

It will not be forgotten either, sir, that the question was raised again on January 16 by my colleague the hon. member for Esquimalt-Saanich (Mr. Pearkes), when he turned to another minister, this time the silent Minister of National Defence (Mr. Campney), and asked of him what shipments of military equipment were being sent over the week-end on the *Star of Assuan*, and the destination thereof. The Minister of National Defence

made the bland reply that he had no knowledge of the matter. So far, Mr. Speaker, from the Prime Minister, from the Secretary of State for External Affairs and from the Minister of National Defence we have a sum total of no knowledge of the matter. This was five days after the issue had been raised.

Then, we move forward to the following day, January 17. Here now we are told, this time by the Secretary of State for External Affairs, that approval had been given last summer for the sale and shipment of 15 reconditioned Harvard training aircraft of world war II vintage. He added that these, of course, were not combat aircraft. Then, when further discussion followed, the Secretary of State for External Affairs made this statement as recorded on page 184 of *Hansard* for January 17, 1956:

—I do not know how you could put a gun mounting on a Harvard training aircraft.

As he made that statement, the Minister of National Defence was sitting beside him in the very next chair but did not open his mouth. He simply turned his favourite ear to his colleague.

On the following day, January 18, now a full week after the issue had first been raised in the house, we had from the government a statement that no consideration had been given to the question of cancelling the export permit for the shipment of these training planes to Egypt. There was a statement also from the government that they knew of no reason for reconsidering the matter or believing that the permit should be cancelled.

Then again, on January 19, we have the Secretary of State for External Affairs coming forward with a limited form of correction. It was a very half-hearted form of correction of a misstatement given to this house which should have been corrected at the time it was given. It should have been corrected by his colleague the Minister of National Defence. When it was readverted to by the Secretary of State for External Affairs one would have thought that if the attitude of the minister towards parliament was a correct one, his remarks would have been attended by some form of apology for the misleading statement he had made on January 17. But, of course, ministers opposite do not apologize. They simply lay down the party line. They heed the demand of the Minister of Trade and Commerce (Mr. Howe) that from now on Liberals shall toe the line whether they are in this house or in the other place.

On the 19th we have this very limited form of correction by the Secretary of State for External Affairs, who says on page 277 of *Hansard* for that date:

I am quite ready to amend and amplify the answer which I gave on this point . . .

He says:

I said I did not believe this could be done.

He was referring to the fact that gun mountings could be put on Harvard training aircraft.

Apparently it can be done.

He was well aware by that time that photographs had been issued by the Department of National Defence showing Harvard training aircraft with guns mounted on them. Is that not an amazingly generous statement from a minister of this haughty and autocratic government? He says: "Apparently it can be done." Such unwonted generosity is enough to overcome one.

Now, we move forward to January 20. Here the matter is raised in challenging form by my leader who set before the house a motion to adjourn the house for the purpose of discussing a matter of urgent public importance, namely the need for a definite government policy regarding the shipment from Canada to foreign countries of arms, military equipment and ammunition and the effective supervision thereof. God bless the Leader of the Opposition for putting this issue forward in such terms that it could no longer be evaded by a government which has been looking for every avenue of escape, every opportunity of evasion.

Mr. MacDougall: The Lord will have to do more than bless him; He will have to vote for him.

Mr. Fleming: May He help you, because you are badly in need of it. From the discussion that day, sir, there emerged an undertaking on the part of the Prime Minister which will be found at page 344 of *Hansard* for January 20, 1956, when he said:

. . . there will be no shipments for that area—

He mentioned the Middle East, but I think it should have included the Near East too, because indications had been given there might be shipments to that area. Then even the Prime Minister, after giving what appeared to be the first clear-cut statement on the matter and at least an undertaking to the house, had to come forward yesterday and, in keeping with the handling of this matter by the government right from the start, somewhat qualify the undertaking he had given to the house on January 20.

One matter remained crystal clear from the statement of the Prime Minister on January

20. It has not been withdrawn yet nor has it been the subject of one of those corrective statements, and that is that in matters of this kind the decision is reached at the cabinet level. In his statement this morning the Secretary of State for External Affairs has emphasized that. He has made the unqualified statement that with respect to the contract to sell these 15 Harvard aircraft to Egypt, of which three have been shipped and 12 remain to be shipped, the decision to sell those aircraft to Egypt was reached at the cabinet level. Let no hon. member opposite overlook that fact. This has been done by a decision at the cabinet level—yes, and it was done five months ago according to the record.

Mr. Howe (Port Arthur): Seven months.

Mr. Fleming: There, you see; you have more of it. It is not enough, sir, that the Secretary of State for External Affairs contradicts himself about four times in the last 13 days, but our old friend—I am sorry, our friend—the Minister of Trade and Commerce has to step into this. He just cannot keep out of anything where there is confusion.

Mr. Howe (Port Arthur): The date was July 7.

Mr. Fleming: Confusion is not enough. He has to get into it and add to the confusion. Now, this morning the Secretary of State for External Affairs said—

Mr. Howe (Port Arthur): The hon. member has accused me of inaccuracy and I was just trying to prevent him from an inaccuracy. The date of the order in council was July 7, 1955.

Mr. Fleming: Then that makes six months and four days until the secretary of state made his first misleading statement in the house within the hearing of the right hon. gentleman who has just interrupted. Why did he not rise and correct the Secretary of State for External Affairs before that hon. gentleman put himself in the foolish position in which he just put himself?

Mr. Howe (Port Arthur): I just rose to correct the hon. member who is speaking, but he has not thanked me as yet.

Mr. Fleming: When the Minister of Trade and Commerce does or says the first thing for which I ought to thank him, Mr. Speaker, then I certainly shall thank him; but that has not happened as yet, sir. The statement the Secretary of State for External Affairs made this morning, the one to which I was directing the attention of the house, was that the permit had been issued in the first week of September.

Mr. Howe (Port Arthur): That is right, but the order in council was passed on July 7. He told you that, but you were not listening. You were thinking of your own speech.

Mr. Fleming: The house was sitting at the time and the Secretary of State for External Affairs was here. The permit was issued, as we were told this morning, in the first week of September.

Mr. Howe (Port Arthur): This is the great issue of the Conservative party for this session, I assume, 15 training aircraft.

Mr. Fleming: I will tell you there is another one, and that is the way in which the Minister of Trade and Commerce tries to reduce every Liberal member opposite to the rank of a cypher by telling him to toe the line. It will be so until the end of time as long as the Minister of Trade and Commerce is where he is. We have seen evidence in abundance so far of the haughty, autocratic attitude of the Minister of Trade and Commerce towards parliament, with which he has infected his colleagues. The leopard cannot change his spots.

Mr. Howe (Port Arthur): The hon. member is funnier now than I was the other night.

Mr. Fleming: I do not see how I could be. I will say this, I have not made any serious effort to compete with the Minister of Trade and Commerce in trying to be funny. I would not enter into any competition with him in cracking the whip over the heads of innocent members of the house.

Now, sir, how are cabinet decisions reached? I have always observed, Mr. Speaker, that the Minister of Trade and Commerce leaves when he does not like things that are being said in the house. It will not be forgotten by hon. members that he frequently found it necessary to leave the house in the midst of an historic debate last June and July when Her Majesty's loyal opposition won the day for parliament and for freedom. And so, the Minister of Trade and Commerce having now withdrawn his presence from the house at the moment, perhaps it will be evidence to hon. gentlemen opposite who may have any lingering doubts in their minds at this time that the house can get on without him.

Now, sir, is it possible that decisions are reached on very delicate matters, matters of high importance, by general admission at the cabinet level, without members of the cabinet knowing about them? That seems to be an issue that is raised here. We are told that a decision was reached by the cabinet. At least, I presume that is what is meant when

they say it is taken at the cabinet level, unless it is a matter of decision perhaps on the part of the Minister of Trade and Commerce exercising some of his powers under the Defence Production Act. Perhaps that is regarded by the government as reaching decisions at the cabinet level; but in the untutored minds of the others of us it could, I think, be taken to mean that decision was reached by the cabinet. And yet, it appeared that no one member of the cabinet, when this important issue was raised in the house in January, 1956, knew anything about it, not one of them. On the contrary, we are faced with this concatenation of contradictions, flounderings and evasions; confusion thrice confounded. That has been the record of this government. That is the record of men who, we are told, dealt personally with this shipment of airplanes six months ago.

Well, sir, it takes more than the at times flippant way in which the Secretary of State for External Affairs dealt with the subject this morning to put the record right and to restore a proper relationship between the government opposite and parliament.

When it comes to the policy, I think I may fairly say that in my view the policy which ought to guide Canada is this. First of all, we must all recognize the grave danger to peace that exists in this area of the world that we have been discussing, and particularly along the border between Israel, Egypt and Syria. It is indeed a sensitive area; and any responsible policy with regard to this situation must be based, in the first instance, upon the recognition of the gravity of the situation there.

Second, it must take account of the fact that we have friendly relations with both sides, and that the paramount interest of the rest of the world, ourselves included, must be the preservation of peace, because it would be a bold man indeed who would say that if open warfare broke out in that part of the world, it could be confined to the local area.

The third factor in this situation, sir, and the one which this government has characteristically, systematically and deliberately left out of its calculations is that parliament must decide. It is a matter for parliamentary decision; it is a matter on which parliament is entitled to all relevant and proper information. It is not something to be decided on the basis of denial to parliament of essential information, or on the basis of telling parliament in effect that it is more the concern of the government than it is that of the elected representatives of the people in parliament.

Every Canadian has a stake in world peace, and the extent to which that grave situation in that part of the world constitutes or contains a threat to the peace of the world, every Canadian from the Atlantic to the Pacific has a stake in that situation and a deep concern over it. It is in parliament that matters of this kind must be decided; it is in parliament that decisions must be taken with regard to the proper policies to be followed in these matters; and this government has lamentably failed in its duty to parliament on this issue.

And, sir, so much contradiction has so far bestrewn the record of government statements on this matter, in the period of the thirteen days since it was first raised in the house, that it must shake the confidence of any member in the house in regard to any statements on the matter that now come from the government. Sir, it seems to me, in the face of the statements and misstatements that we have listened to in the past thirteen days, and in the face of the evasion of the government of searching questions on this point, that before we are through this issue ought to be referred to a committee of this house so that there will be an opportunity to probe into the facts first hand, to bring officials concerned before such a committee and question them as to the facts.

Sir, I believe it is one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Fleming: Mr. Speaker, prior to the adjournment I had been discussing the government statement concerning the shipment of arms abroad. I point out that this whole issue in this house arose out of a shipment of airplanes to Egypt. It should be seen in that light and in that light alone. It is no secret that arms have been shipped abroad by Canada in recent years not simply to her NATO partners but also to countries in the very area of the globe where the troubles do now most seriously threaten. Indeed one has only to look at the publications of the Department of Trade and Commerce that are available to hon. members and to the public to see what is the value of arms shipped to Israel, to Egypt and to other countries in this troubled area in recent years. There is no surprise about that. No question was raised in regard to the shipment of arms to Israel. The Secretary of State for External Affairs this morning sought to throw out a challenge in that respect to hon. members of this house to declare whether they were advocating a complete cessation of shipment

of arms or military equipment to Israel. I wish to make it quite clear that this question does not arise and is not raised in this debate. It is rather an issue as to government incompetence and blundering and as to the rights of parliament to be treated as a parliament.

When the house heard me making some passing comments upon the statement of the Secretary of State for External Affairs and the blunders which it exposed, I am sure the house observed that I exercised restraint out of deference to my old professor. Regardless of whether or not the professors of one's student days are old in years, when one looks back on one's student days one invariably refers to one's professors of those days as old professors. The Secretary of State for External Affairs was my professor in history 33 years ago and I can only say that his knowledge of ancient history is much more accurate than his knowledge of recent history on the strength of his showing here today.

I just wished to make that comment by way of explaining the very evident restraint under which I spoke today. It was out of the deference that a former student naturally pays to his former professor; and in his charitable approach to these questions—I am speaking now for myself—he is bound to ascribe the errors into which his old professor has fallen to the fact that apparently the professor has been keeping bad political company in recent years.

In the limited time that remains I have several other matters upon which I should like to touch, although I am afraid I cannot touch on them more than briefly in view of the limitations of time. I have, first of all, a word on the subject of radio broadcasting and television.

At the end of July the government announced in this house that a royal commission was to be appointed to inquire into the whole question of the control of radio broadcasting and television in Canada. The government took another long time to announce the appointment of the commission. The announcement came about the first of December. If the Minister of Trade and Commerce were here—and we note that he has again taken his departure—we would have occasion perhaps to comment on the fact that six months seems to be the time within which the government forgets about the things it has done or promised to do.

Apparently the government nearly forgot about the appointment of the royal commission until the very end of the year, almost on the eve of the opening of the session of parliament. They finally got around to appointing a royal commission and I have no criticism, at this stage at any rate, of the men whom they have selected for that commission; but I do wish to say that I deplore the decision of that commission not to open its hearings until the first of April. This whole question is an urgent one. The government dilly-dallied with it far too long. We were pressing for an inquiry of this kind a year ago. The Prime Minister gave some indication that he was considering it at that time but the government went on dilly-dallying in a manner that is so familiar to this house, and now this commission has announced that it is not going to commence its hearings prior to the first of April.

I regret that very much because it means, of course, that debate on the subject is going to be hampered during the course of this session and it is quite evident that we cannot expect the report of the royal commission to be available at the present session. If the government is contemplating an election this year this would neatly serve its purposes. I do not suggest that the commission has deliberately been a party to meeting the government's exigencies in this matter, but it is unfortunate that the delay in the opening of the sittings is going to create that benefit for the government in trying to cover up the short-comings of its policies in that respect and this tremendous burden of cost under which virtually the whole policy in regard to television is breaking down today.

I have time to make only one comment on the matter of political telecasting. It is evident from the speech the Prime Minister made in this house two weeks ago that he personally has had a good deal to do with delaying political telecasting in this country. It suits the interests of the government to keep political telecasting from the people because, of course, government ministers are frequently called upon to broadcast over television. When we raised this question in the radio committee last spring we were told, of course, that when these ministers are telecasting they are making statements of general interest to the country, as though no member of the opposition was ever to be called upon to make comments before a television audience on similar matters.

The reason the government has been delaying any sensible attempt to make political telecasting available to the Canadian people is quite evident; they have the advantage now, they are exploiting that advantage, they want to continue to claim that advantage, and to play the dog in the manger. This cannot be held up any longer. It is about time the government grew up in this respect and realized that other countries have political telecasting. There is no

reason why Canada cannot have it on the basis of a fair division of time among political parties. Moreover, we do not propose to submit to any form of government censorship in that respect, as was proposed by the representative of the Liberal party who attended the recent meeting of political parties with officials of the Canadian Broadcasting Corporation to discuss this subject.

I have just one comment to make on one matter that was raised by the hon. member who moved the address. It is in regard to the appointment of a woman to the civil service commission. For my part I support and advocate the appointment of a woman to fill the present vacancy on the civil service commission, as I think I was the first member in this house to advocate some years ago the appointment of a woman to the board of directors of Central Mortgage and Housing Corporation. I should like to say now I entirely support the proposal to appoint a woman to that commission. There are capable and competent women available for the appointment.

I have just one or two observations to make to the Minister of Finance. I realize that perhaps by the time this subject is next discussed his proposals may already have been introduced to the house, but in framing his budget proposals I hope he will not overlook three things that have been overlooked in the past and which are now crying for immediate remedy. The first is that the limitation upon the policy and the legislation of making grants to municipalities in lieu of taxes, where the federally-owned property exceeds 2 per cent of the total assessment roll of the municipality, ought to be widened. Those provisions should be widened so that grants will be made to municipalities out of the federal treasury equivalent to taxes on all federally-owned property in municipalities. These municipalities are suffering today very greatly from an urgent need of revenue. They are obliged to provide services for these properties and the provision of such services is not confined to municipalities where the federally-owned property happens to exceed 2 per cent of the total assessment roll.

The second point is that the federal sales and excise taxes on goods purchased by municipal bodies, whether municipal councils or school boards or boards of education, should be eliminated. We have advocated this for years, and the time has come for action.

The third point to which I hope the Minister of Finance will give effect in writing his budget proposals is that the present exemptions from income tax, $1,000 for single persons and $2,000 for married persons, are entirely inadequate and should be increased. If the Minister of Finance is not prepared to go as far as Conservative policy advocates in this respect, namely $1,500 for single persons and $3,000 for married persons without dependents, then at least we hope he will take a generous step in that direction.

There is one other matter quite unrelated to what I have been discussing with which I should like to deal. In view of recent events I think it should be commented upon. I refer to the succession of crimes committed upon young girls in a number of Canadian cities. This has been mentioned by several hon. members previously in this debate. The expression "sex deviate" is I think too euphonious to apply to the kind of people we are speaking of. I do not share in the inclination to speak of these people as though they were just sick, as though they were well-meaning people who could not be held to be responsible for the results of their criminal acts. I think we will be taking a more realistic approach to this problem, for problem it is, if we call these people by their true names, criminals, rapists, murderers, brutal inhuman monsters.

In London, Hamilton, Toronto and other cities there has of late been a shocking succession of crimes of this kind. The public is aroused today as it rarely has been. It is a great pity that the report of the royal commission which is studying this question or some aspects of it is not now available. Let us hope that it will be available early enough during the course of this session so that whatever legislation may be intended to arise out of that report may be brought into effect at this session.

Part of the trouble of course is inadequate enforcement of existing laws and inadequate police forces to cope with crimes of this kind which are usually practised by stealth. I think the unhappy and sordid experience has pointed to the need of strengthening the law in relation to the protection of society. That points in the direction of detention. When I speak of detention I do not mean just to pat these criminals on the head and tell them to be good boys. The warning I should like to give is a warning against a soft approach in dealing with this problem. We are not dealing with soft people, we are dealing with monsters and murderers.

I had wished to say something today concerning our trade but I fear that that must wait for another occasion.

I wish to close these remarks by directing some observations to hon. gentlemen opposite who in the last analysis by their attitudes at this session will determine whether there is or is not to be a change in attitude on the part of the government. Let me say to them that the attitude of the government toward

parliament which was manifested last summer in the debate on the defence production bill is evident again. There is no indication as yet that this government has learned the sound and salutary lesson which it ought to have learned from that experience of last summer. Apparently we are just back where we were before with the government determined to have its own imperious way regardless of parliament. We, Her Majesty's loyal opposition, must continue to fight for parliament's rights and to defend those freedoms of the people which are inherent in parliament and in a proper relationship between parliament and the government. Make no mistake about it, if that battle has to be waged we are here to wage it. But it rests with hon. gentlemen opposite, the private members supporting this government, to decide whether there is going to be a continuance of that haughty and overbearing attitude toward parliament.

There have been certain developments in this house since the conclusion of that historic and momentous debate last July. At that time there happened to be at least two Liberal members of this house who were independent in their approach and who over the years stood firmly on their feet and even on occasion did not hesitate to be critical of a course of action taken by the government. But those two hon. members are no longer with us. I refer to the former member for Spadina and the former member for Temiscouata. Whatever there was in the Liberal ranks by way of independence as represented by the attitude of those two hon. members has now been removed from the Liberal membership in this house.

We do not hear an independent voice of any Liberal in this house any more. The member for Spadina, to whom I referred, has been succeeded by a Conservative member, and properly so. The former member for Temiscouata, with his original and independent approach to questions, has been succeeded by an hon. gentleman who while vocal enough during his campaign has since proclaimed that he will be mute in this session and has imposed upon himself a self-denying ordinance of vocal asceticism.

I can only say to that hon. gentleman at the outset of his parliamentary career, and I do so in good part, that he should carry on the tradition of Temiscouata, the tradition of independence, the tradition of a member who stands up and does not forbear to be critical of the government and its errors. An example has been left by the hon. gentleman who preceded the hon. member and who made the name of that riding famous in this house and throughout the country. He did not make that name famous by being a mere sycophant of the government, and I commend his example to his successor.

In the amendment introduced by my leader we have complained of a lack of leadership on the part of the government, of its indifference and its inertia. We see in this government a complete unwillingness to face up to problems. The problems are there and every member of the house but the government knows of them. Hon. members from the prairies representing the government, like the hon. member for Rosthern (Mr. Tucker) for instance, know what kind of a wheat problem there is today and how it jeopardizes the whole economy, not only that of the west but of all Canada.

We wish to hear these voices of Liberals from western Canada. We have heard very few of them so far. They are voices that ought to be heard, and in the absence of leadership on the part of the government I say to you, Mr. Speaker, that it is about time for some of the backbenchers opposite to be heard to draw to the attention of the government the existence of these problems. The government has no solution. The government has ceased to think, but the denial of solutions will not cure the problems. The problems are there. We demand action.

(Translation):

Mr. Lionel Bertrand (Terrebonne): Mr. Speaker, I do not want to be long in my remarks but I thought I had to call the attention of the government during this debate to a situation existing in my county and which concerns more particularly the rubberized fabric footwear industry. I believe that it is here in the house that members of parliament should, with as much sincerity in their words as loyalty towards their constituents, voice the representations which have been made to them and deserve to be brought to the attention of those who run the country.

In these last 16 years I have never been reluctant to speak in this house on behalf of the people of Terrebonne county who, four times, have shown me not only their usual unflagging friendship but also increasing confidence. I have never been reluctant either to speak in this house for any group that might think itself aggrieved by the laws of this country and, with a courtesy I want to mention here, would come to me with its representations.

At this time it is the officers of the Dominion Rubber Company, in St. Jerome, the employees of that plant and the labour organizations of that city who request my support in order that the Canadian rubberized fabric footwear industry be not jeopardized any further by the importation of the same kind of footwear made in Hong Kong, and particularly in Japan, and which are being dumped in large quantities on our Canadian market.

I believe there are in Canada seven companies directly concerned with the manufacture of rubberized fabric footwear. They are B. F. Goodrich Canada Limited, in Kitchener, Ontario; British Rubber Co. Limited, in Lachine; Acton Rubber Limited, at Acton Vale; Kaufman Rubber Co., in Kitchener; Miner Rubber Company Limited, in Granby; United Rubber Limited, in Toronto and Dominion Rubber Co. Limited, in Montreal. This last named company operates a very large plant in St. Jerome, in the county I represent.

These companies, I take it, manufacture leather footwear, tires and other products, but all manufacture canvas footwear and rubber footwear, rubber being a basic product they have to use in various ways. However, I understand that the manufacture of canvas and rubberized fabric footwear, becomes, though in varying degree, an indispensable factor in their general progress.

I know that in my constituency, at St. Jerome, there is an extensive production of rubber soled canvas footwear and of waterproof rubberized footwear, including overshoes.

I am told that, in the field of rubberized fabric footwear, the Canadian production which, in 1947, was 24 million pairs, had gone down to 12 million pairs in 1954. I am also told that whereas the pre-war export figure of rubberized fabric footwear was six million pairs, the corresponding figure in 1954 was only 92,000 pairs, including a high proportion of special types.

It is not my intention to enter into a lengthy enumeration of figures and statistics; the government knows about them. But I do wish to dwell for a moment on the reasons for this state of affairs. Canadian production of canvas and rubberized fabric footwear has decreased significantly. Production for export, in fact, has gone down so much that, right now, it is practically non-existent. The explanation, it would seem, is that our Canadian products must face the unbearable competition of similar products manufactured in India, the United Kingdom and mainly Hong Kong, products which have access to our markets, under trade treaties. This situation will become even more desperate since Japan, which now has a trade treaty with this country, is also flooding our markets with canvas and rubberized fabric footwear, Japan has always been and is still recognized as a major producer of that commodity.

A few years ago our Canadian firms could serve the domestic market and also produce millions of pairs for export. Now not only have they lost their export market but they are also in the process of losing their domestic market too. Imports into this country of canvas and rubberized fabric footwear are constantly on the increase. These products, which are manufactured by extremely cheap labour can be sold in this country, with all taxes paid, at a price far below the very lowest manufacturing costs of the same product in Canada. Here are some figures which have been provided by the federal bureau of statistics. In October 1955, 211,903 pairs of canvas footwear entered the Canadian market as against 4,568 pairs in 1954. In October 1955, 163,593 pairs of waterproof rubberized fabric footwear entered this country, as against 89,981 in 1954.

I gather from these few figures that the rubberized footwear industry in Canada is at a low ebb. On June 22 last, their representatives officially presented the hon. Minister of Finance (Mr. Harris) and the hon. Minister of Trade and Commerce (Mr. Howe) with a brief during an interview at which I had the privilege to be present. Later on, a committee consisting of the representatives of the departments, companies and trade unions concerned, was set up to review the situation. And all I could personally find out is that the Dominion Rubber plant, at St. Jerome, is no longer operating at capacity, the number of workers that used to be employed in that plant has been substantially reduced, and that the people are deeply concerned about it.

The Canadian rubberized fabric footwear industry has requested an embargo on those products. My information is that the government could not grant this request for the only reason that Canada, having signed treaties with the countries referred to, has to take the products that those countries manufacture if it wants to sell them products that they lack. Now, in those countries I am referring to, the manufacture of canvas or rubberized fabric footwear represents a prosperous industry,

and Canada seems to be forced to take their products, even though by so doing it prejudices and paralyzes production in the Canadian industries concerned with the manufacture of similar products. That, I believe, is the reply given by the Minister of Finance (Mr. Harris). In his opinion, he must first consider the general economy of the country and Canada must keep its rank in international trade. I know that if we trade with someone the advantages cannot all be on the same side and that concessions, which sometimes hurt, must be made. If I am not mistaken, the volume of goods we sell to these countries greatly exceeds that of the goods we buy from them. That deserves consideration, which proves, Mr. Speaker, that it is not always easy to govern a country like Canada.

It remains, however, that Canadian industries are seriously prejudiced in their production by the treaties we sign. Let us suppose for a moment that the government, for the most legitimate reasons under the circumstances, could not prohibit the importation of foreign goods into Canada. Could it not, however, by revising its trade treaties, set a maximum quantity on canvas rubberized fabric footwear admitted into Canada? At present, our companies are faced with the constant threat of imports increasing even more from month to month and they are appalled at the prospect of an industry going to ruin, an industry built up at the cost of great sacrifices and on which so many other fields of economic activity are dependent.

If the government did set a quota on the volume of canvas or rubberized fabric footwear that foreign countries could ship to us, Canadian companies could at least know the eventual extent of the competition and then take steps to face it, either by means of publicity, or by new methods of production, or by manufacturing new and more attractive types. At present they are loathe to adopt a definite stand. They simply see the fruit of long years of labour crumbling before a situation they have to accept, that is forced upon them. Under the circumstances, it is impossible for them to face competition. Shoes from Hong Kong and Japan, which are of good quality, I am told, are sold, however, at much lower prices, for the simple reason that salaries paid in industries in Hong Kong and Japan are ridiculously low. I am assured that the salary of a woman represents 6 cents an hour and that the man earning 15 cents an hour must have an exceptional yield. At the same time, it is quite obvious, the average salary paid in our footwear industries amounts to $1.45 an hour. There is also a matter of employment. I understand that at present employment in this country reaches an unprecedented high but, nonetheless, some cities must not be deprived of their share of national prosperity. In St. Jerome, several hundred workers, employed for years by the Dominion Rubber Company, do not work at their regular jobs because the factory no longer manufactures for export and is slowed down to the level of the local market which is already saturated with imported products.

In my opinion, the government could do something. It is not so much the case of the Dominion Rubber Company that I am pleading at this time as that of the working class of my constituency. I am not much of an economist, but I dare say that, if the government has to stick to its decision and, first and foremost, consider the economy of this country as a whole; if, in order to ensure a still more marked advance in other and perhaps more elaborate fields of our national economy, the government necessarily has to jeopardize existing Canadian industries, it should also, to my mind, adopt certain legislation to compensate the losses sustained by these industries because of government decisions.

We are paying subsidies for wheat; I am not opposed to this, for it is an important phase of our economic life. We are devoting large sums of money to the support of agricultural products; I don't object, for agriculture is the wealth of a nation. I am aware that it is not a matter of compensating the losses of private companies by means of a subsidy, but I wonder whether the Minister of Defence Production (Mr. Howe) could not, in all cases where Canadian industries are in any way prejudiced because of our laws, give them a priority with regard to the numerous contracts his department is placing every year, and which, I think, these industries could easily accept without much retooling. It seems to me that this would be only fair. What I am primarily aiming at is to have in my county, as well as everywhere else, an abundance of remunerative employment. The government confers contracts by the million every year. Would it not be possible to direct some of these contracts towards

industries like the canvas or rubberized fabric footwear factories, and those that are or could be some day equally affected as a result of our trade?

I am making these few suggestions with the best intent. I submit them because I believe them to be appropriate. I put them forward because I think that, in so doing, I am advocating a just cause. Some tariff barriers, the raising of customs or excise duties, the imposition of quotas or compensation; these are suggestions that do not all deserve to fall on stony ground.

Just a last word, Mr. Speaker. At a time when discussions between the central power and the provinces are being held with regard to the adoption of a national health insurance scheme, I must say this: the people of the county of Terrebonne favour such legislation. Our social security program will only be complete when legislation of this kind is incorporated in the statute books. In this century of speed, every Canadian must be sheltered from insecurity. I wish that, out of this meeting will spring, for the good of all, other social security legislation that Canadians are expecting and that it would be fitting for the government to apply as soon as possible.

(*Text*):

Mr. J. Wilfrid Dufresne (Quebec West): Mr. Speaker, may I first be permitted to associate myself with all those who have already expressed their admiration for the man who always presides with so much dignity, tact, competence and fairness over the debates in this honourable house. I should also like to congratulate the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne.

You will undoubtedly note, Mr. Speaker, that contrary to my usual practice I am now expressing myself in the language spoken by the majority. I am doing so—and I have decided with pleasure to make my whole speech today in the language of Shakespeare —in order to show my admiration for the hon. members on both sides of the house who, since the opening of the present session, have quite successfully made a magnificent effort to use my mother tongue for a few minutes during their speeches. I congratulate them and thank them. I rejoice at the ever-increasing number of those who speak the two official languages of our country. Their noble gesture is a consecration of the well-established principle that Canada is a bilingual country. May their example inspire all Canadians, particularly those who are at the head of the various departments of the federal administration. Unfortunately, many of them seem to ignore completely the principle of bilingualism.

I should also like to avail myself of this opportunity, Mr. Speaker, to salute the electors of the constituency of Quebec West whom I have the honour of representing in this house and to assure them once again of my most faithful devotion. May I be permitted to say to my electors, and more particularly to those of the labour classes who form the great majority, that for them I shall not cease to ask all they need not only to ensure their existence but to make them feel that they are on the same level with the other classes of society. This leads me to ask the government to give special attention to the alarming unemployment problem which still prevails this winter in my constituency and also in the whole city of Quebec. Even though the federal statistics proclaim an improvement in the employment situation, the fact remains that the situation is just as serious this winter as it was last year. The statistics published are far from representative of the true situation. They merely indicate the number of those who receive unemployment insurance benefits and forget to mention those who, by the nature of their work, are not eligible to receive such benefits but who are unemployed nevertheless.

Furthermore, there are those who do not possess a sufficient number of stamps to entitle them to collect any benefits. What of those who have already used up all the benefits to which they were entitled and no longer receive any? They are not included in these statistics. Last but not least, we find a great number of unemployed persons whose rightful demands have been rejected because of this interpretation of the law by an all-powerful bureaucracy. It is only by adding up all these unemployed persons that a true picture of the unemployment situation is given. This is something the government is not interested in making public in order to conceal its own incompetency in finding a solution to the problem. I shall return to this subject in a few moments.

Until the situation improves, would it not be possible to undertake more public works as they are the only truly efficient remedy?

I have often requested public works of a nature that might be helpful to the unemployed, works which would improve the lot of the working people and would also provide improvement in the field of public health to the benefit of my fellow citizens. The St. Charles and Lairet rivers which cross my city did not improve during the past year and continue to threaten public health. These two open dumps, which are a local and national disgrace, still continue during the summer months to spread foul and dangerous odours over the city of Quebec. Incidentally the extremely hot summer we had last year contributed to imposing upon our people a torture that they alone can describe.

When will the government decide to take some action? When will the Prime Minister (Mr. St. Laurent), as the member for Quebec East, give some thought to his poor electors who are considered as real orphans without any representation in the parliament of Canada? I ask the government and more particularly the Prime Minister to have, if not affection for those he is supposed to represent, at least a little sympathy. The people of Quebec pay their taxes to their government and I believe they are entitled to a little more consideration. I repeat what I stated in Quebec on October 25 last when reporting on my mandate. I have no objection to protecting the health and life of those who live thousands and thousands of miles from our country. However, if the government refuses to apply to the letter the proverb that charity begins at home, then I think it is only logical we should demand that they should begin protecting the health and life of those who daily contribute their work, their labour and their taxes to the greatness and prosperity of Canada.

If instead of spending the summer at St. Patrice de Riviere-du-Loup, 120 miles from Quebec city, which is situated on the enchanting shores of the river that bears his name, the Prime Minister had decided to build a summer home on the shores of the Lairet river, he would have soon freed his constituency from the foul smell which, like his electors and mine, he would have been compelled to breathe. The Prime Minister behaves, therefore, perhaps not with wisdom but at least with caution by staying 120 miles from his constituency during the summer, since this is the best way to remain in good health.

As for the electors of Quebec East, those poor orphans who never see their member except in the newspapers, they are far less important. They continue to be poisoned little by little through contact with these rivers. Nevertheless they have the satisfaction, if I may call it that, of saying that they are represented in the House of Commons by the Prime Minister of Canada.

I would venture a suggestion to the Prime Minister in this connection. If his government does not want to undertake this work, if it prefers to throw federal responsibilities on the shoulders of the provincial government, why does it not grant the city of Quebec an annual subsidy which would allow the municipality to undertake the work? This subsidy would be a logical compensation for property taxes the government does not pay on its many buildings and sites. If this were done, the federal government would be following the generous example set by the government of my province which has granted the city of Quebec a subsidy of $1 million to help solve its administrative problems. Just two years ago the provincial government granted a quarter of a million dollars for the same purpose. If the Prime Minister could accept that suggestion, which would be beneficial to Quebec, and would specify as the purpose of the grant the deepening of the St. Charles river and the reclamation of the Lairet river, I would be the first to congratulate him in the name of those who, for too many years, have had to put up with these dumps.

Another means of helping the working class and of fulfilling in some way the needs of these larger families would be to increase family allowances, even doubling them if possible, because the cost of living has more than doubled since the enactment of that social legislation. There is not a single government, not a single industry, that has not substantially increased the salaries of its employees since 1945. Even the indemnity of the representatives of the people has been doubled under the pretext that the cost of living has risen in that proportion. How could one argue today, Mr. Speaker, that family allowances fulfil the aims for which they were established when one knows that the 1945 dollar has lost more than 50 per cent of its value? I urge the Minister of National Health and Welfare (Mr. Martin) to discuss this important matter with his colleagues in the cabinet and bring forth the necessary remedy at this session.

While I am on the subject of social security, may I be permitted to ask the minister to amend, with the least possible delay and make more generous the legislation enacted at the last session to help disabled people. It should extend to all those who, at birth or later in life, are affected by a disability or disease which prevents them from earning their living. As it stands, the act helps only a few and I am under the impression that the cost of administration is as high as the cost of the pensions.

I wish to thank the Minister of Labour (Mr. Gregg) for having agreed, after numerous protests it is true, to postpone the implementation of the rule which prevented stevedores and seamen who operate on the St. Lawrence and the great lakes from drawing their unemployment benefits during the winter. This rule was the work of bureaucracy and a blatant injustice to these seasonal workers. If these people cannot engage in their regular occupation during the winter, it is not through an act of chance but through an act of God. If they did not get these benefits to which their numerous contributions entitled them, I can tell the minister that the economic expansion of my city and my district would be seriously prejudiced.

Speaking of bureaucracy I should like to tell this same minister, if he does not know already, that the employees of the various unemployment insurance commission offices have a handbook that was drafted and distributed by the senior officials of the commission and which deals with the interpretation of the act passed by parliament at the last session. If I recall correctly, under the legislation enacted last year the amount of benefits was increased while the number of weeks during which an insured worker drew benefits was decreased. I want to tell the house that since the enactment of the new legislation the commission has paid much less than before. Through the intervention of bureaucracy and its interpretation of the act, I assert that at least 60 per cent of the claims submitted to the Quebec offices are rejected.

Thus, distress and difficulties are on the increase in our families. This, Mr. Speaker, through the complacency of the government in power, is still another encroachment of bureaucracy upon the supremacy of parliament. Legislation must be applied according to the spirit of the lawmaker and not sabotaged through the whims and fancies of bureaucrats whose influence is growing ever more dangerous to the prosperity of this country. I am not blaming in the least the minor officials, but I do blame those who in certain departments and commissions seem to have more authority than the minister himself and parliament. It is more than ever time to put a brake on the influence of a few overly ambitious bureaucrats and to return to the true democratic system; that is to the authority of the people's representatives responsible to those same people.

Now, Mr. Speaker, I would like to say a few words on something which was the subject matter of a question I put a week ago to the Minister of Agriculture (Mr. Gardiner), concerning the sale of butter to communist countries.

Nobody in this house was opposed to the establishment of a support price for butter of 58 cents a pound. On the contrary, every member supported this measure on the ground that it safeguarded the dairy industry of this country. This industry is so important that it would be unwise to prejudice it in any way.

However, because of the inertia of the government and its excessive optimism, and because also of the incompetence and lack of foresight of those whose business it was to conserve our markets, we find ourselves in a deplorable position. We have had to keep in storage, regularly over the years, approximately 60 million pounds of butter, and this year over 80 million pounds.

The consumer must still pay between 63 and 65 cents a pound for this commodity, besides having to pay, through his taxes, the difference between the support price and the selling price; that is, about 25 cents a pound.

Production being far above domestic consumption, the government decided to sell its surpluses in the communist countries. If every pound of butter sold in those countries had corresponded to the price paid by the Canadian consumer, or, at least, to the price guaranteed the producer by the government, there would have been no protests such as those which have arisen in all parts of this country. But when one thinks that Canada is selling butter to communist countries at 37 cents a pound while the Canadian consumer pays at least 25 cents per pound more for the very same butter, I say that that is a policy of exploitation of public funds for the benefit of the most dangerous enemies of democracy. While Moscow continues to sell its satellites, at a good price, deadly weapons which might eventually be turned against us, the Canadian government is exploiting the labour of our farmers and the taxes of our fellow citizens by selling butter at bargain rates. That is going beyond the bounds of generosity. It is such as to bring upon us economic chaos and ruin.

Why should the Canadian people not benefit from this generosity? They are the ones who are constantly paying the shot. Why, for once, should they not at least have the satisfaction of paying for something for themselves?

I, therefore, object with all my energy to the money and work of the Canadian people being used to feed our most dangerous enemies, those who nurse the hope of crushing us in order to establish in Canada the policy of slavery and persecution so much in honour in these countries under the whip of the

Kremlin. If we do not put a stop to government extravagance, it will not be surprising to see before too long our surpluses of butter being shipped to red China, which the government is about to recognize.

A debate is to be held shortly on the recognition of communist China, a debate in which I will certainly take part, so I shall not deal any further with this matter today. Suffice it to say that this recognition by Canada would amount on our part to giving our agreement to slavery and our guilty approval to concentration camps and religious persecution. In a word, it would amount to voting in favour of banditry in its most heinous form.

Mr. Speaker, how can you expect the Canadian people not to look forward to an opportunity to pronounce its verdict on its administrators and by this verdict condemn their policies which are becoming increasingly disastrous for the future and security of Canada?

The Liberal party is panic-stricken in the face of failure of its administration and the fate it can expect at the next general election. They can amuse themselves on the other side of the house and take the situation lightly, but we feel more than ever before the indignation of a whole population, and indigation which will manifest itself soon by the fall of the regime.

The Conservative party, to which I have the honour to belong, led by a man of vision and a great statesman, is making giant strides on the road to victory which will mean the liberation of the Canadian people from a party that was once great because of its leaders, but which is now being drawn rapidly into the valley of humiliation. Already we have significant signs of the defeat in store for that party. The last by-elections in the country have shown clearly that deliverance is not far away.

Confusion and discord are rife in the Liberal party, and the younger members would like the old guard to disappear, particularly those who have been in the cabinet twenty years and have come to look upon themselves as the dictators of this country.

Mr. Knowles: No names mentioned?

Mr. Dufresne: No names mentioned.

I would like to make a short excursion into the different counties where by-elections were held not long ago and analyse, Mr. Speaker, the results which were encouraging to us and which should give food for thought to our friends to the right.

In Toronto-Spadina, a Liberal majority of nearly 9,000 some two years ago has been reversed and the citizens of that constituency have elected a brilliant and devoted member who is sitting here, to my right, and who will make a generous and intelligent contribution to our party and to Canada. But there is an interesting fact to be noted. The Canadian communists, who had an official candidate, got nearly 5,000 votes, which means that when the communists do not have an official candidate in certain ridings they vote solidly for the Liberal party. As a matter of fact, that was the recommendation which Mr. Tim Buck himself made to them in 1945.

I leave the province of Ontario to go into New Brunswick, into the constituency of Restigouche-Madawaska where a Liberal stronghold was demolished and became a Conservative fortress. The new and dynamic member for that riding, a man with an engaging personality, did not wait long to show that he was a formidable parliamentarian, when he made known the needs of his large constituency and sharply criticized the Liberal government for its inertia and its indifference. And when he shouted, "We in New Brunswick are fed up with the Liberal government", he was voicing the feelings not only of his province but of all Canadians. I congratulate him on his election and on his firm stand, and I am very happy to have given him last September my small but very sincere support.

We have also had by-elections in the province of Quebec, and the constituencies of Quebec South, Bellechasse and St. Jean-Iberville-Napierville have had such sharp reductions in the enormous Liberal majorities of previous elections that these meagre results demonstrate clearly what will happen at the next general election. Yet these by-elections gave us the opportunity to add up the different kinds of Liberals whom we have and who will probably appear in many other counties. Indeed, Mr. Speaker, we are now convinced that panic has seized the party, for it now consists of eight different kinds of followers. Let us count them and keep them in mind.

First of all, there are the official Liberals whom the masters of the party want to impose and whom the people reject. Then we find the self-imposed Liberals whom the party has to accept. There are others who are called collaborators. There are also the straight Liberals, the independent Liberals, the St. Laurent Liberals and Liberals-in-a-hurry; that is, socialists and communistic liberals or those who vote for the liberals when there is no official communist candidate.

At last we come to the future paradise on earth, right in the promised land, the county of counties where a spoiled child may obtain

the only thing he has not got yet, a seat in parliament. I refer, of course, to Temiscouata. Many are the Liberal members who rejoiced at the victory of their new colleague and who are still trying to prove that it was a significant victory.

Let me say this, Mr. Speaker. Everything that could possibly be done in order to ensure the election of this "papa's son", as he calls himself, was done.

Mr. Speaker: I want to believe that the hon. member is speaking in rather a light vein but on the other hand he knows that under our rules he should not use any expressions which will involve personalities, and when he refers to an hon. member he must preface his remarks by the words, "the hon. member for Temiscouata".

Mr. Dufresne: Under the rules of the house, am I not entitled to read some of the statements made by the hon. member for Temiscouata at the time when he was only a candidate in the by-election?

Mr. Speaker: I do not think the hon. member and myself should enter upon an argument in this regard.

An hon. Member: Call him the hon. member.

Mr. Dufresne: Practically every Liberal member in the province of Quebec, including the ministers, made an effort and even gave a speech in his support. Those who are generally silent in this house, and you know, Mr. Speaker, that the greater part are silent, suddenly found they were gifted speakers. This was necessary because the prestige of their leader was at stake. This powerful army of ministers, members and party workers—and perhaps I should add senators —should not, however, take the credit for this success. True, a week after the beginning of the Temiscouata campaign the candidate received a prepared text and was instructed not to depart from it. However, I am convinced that he himself had roused the sympathy and the pity of the people by his former speeches. A Prime Minister's son is a rare thing, quite an attraction, and when he talks people swallow his words. They cannot but think he is a saviour and will, through his great influence, transform the poor county of Temiscouata into a heaven on earth.

It was delightful to hear him say, "My friends of Temiscouata, I am papa's son. Is this a bad thing for the people of Temiscouata? I am not only papa's son, but mamma's little cabbage. Is this not wonderful for Temiscouata county? For don't forget, mamma being the Prime Minister's wife, she has to attend many official functions where she meets influential ministers. I am going to give you an illustration. Suppose I have not been able to see daddy at all during the day, I still can say to mamma: 'Mamma, you are going to a banquet tonight, and no doubt you will be sitting next to Mr. Howe—you know Mr. Howe, the Minister of Trade and Commerce—Mamma, would you be kind enough to say a good word to Mr. Howe on behalf of the people of Temiscouata?' The following day she might have dinner with Mr. Pearson,—you know Mr. Pearson, the Secretary of State for External Affairs? Well, I would say, 'Mamma, speak to Mr. Pearson about my Temiscouata people'. Is it bad for Temiscouata to be papa's son and mamma's little cabbage?" That is the end of the quotation. I understand now why the people of that constituency could not resist voting for him. Political pull—

Mr. Maltais: May I ask a question?

Mr. Dufresne: You may ask any questions you like when my time has expired.

An hon. Member: You are afraid.

Mr. Dufresne: I am not afraid of anyone.

An hon. Member: Your time is nearly over.

Mr. Dufresne: I am prepared to answer any questions when my time has expired, Mr. Speaker.

Political pull meant something when he said to his constituents, quite seriously: "I am the only one, besides my mother, who can see the Prime Minister early in the morning, when he is still in his pyjamas, to discuss with him a matter of concern for Temiscouata."

Was this not the same man who said at Riviere-Bleue on September 11, 1955, in order to prove his so-called importance: "I am the Gray Eminence of Louis St. Laurent, therefore he is not the one who governs, I am. Is it not better to have a candidate who governs the whole country?" And to all these declarations, Mr. Speaker, the Liberal members who accompanied him applauded loud and long. So convinced did they become of these childish sayings that last Thursday the hon. member for Bonaventure (Mr. Arsenault), in his speech on the address, made the following comment, and I quote from *Hansard* of that day at page 303:

> During that by-election, which won him the right to represent one of the greatest counties in the province, the hon. member for Temiscouata has indeed shown uncommon leadership and thus proved himself worthy of the man whose name he so proudly bears.

What a man! What a leader!

The hon. member for Temiscouata should have warned the people of his constituency, however, when he was still a candidate that

he did not intend to take part in any debate in the house or state before his colleagues the needs of his county and that he was going to remain silent so that his remarks might not be construed as being papa's words. It is not the voice of papa which the constituents of Temiscouata want to hear in the defence of their interests but rather the voice of the man whom they have chosen to represent them. No, no, Mr. Speaker; if this is the latest 1956 edition of the Liberal party, then the succession proves disastrous. I appeal to the people of Canada and say that the time has come for a change.

An hon. Member: What an appeal.

An hon. Member: That appeal would not be heard.

Mr. Dufresne: Let us give the distinguished leader of the Conservative party an opportunity to show his real statesmanship, and under his enlightened leadership Canada will advance towards the fulfilment of her great destiny.

Mr. Maltais: May I ask the hon. gentleman a question?

Mr. Dufresne: Yes, go ahead.

Mr. Maltais: From the statement of my hon. colleague that the customers in Quebec were required to pay 60 cents plus a subsidy which they were compelled to pay to make up the difference between 33 cents and 60 cents which amounted to 25 cents per pound, and seeing that he put a lot of emphasis on the fact that the people of Quebec—

Some hon. Members: Question.

Mr. Dufresne: I think I know what the question is and I will answer right away.

Mr. Maltais: Answer my question right away. Does the hon. member say that the taxpayer should not pay that subsidy, that he should refuse to pay it in the form of a tax? Does not the hon. member know of the party in France which preaches that the people should not pay taxes? Is the hon. member advocating the same thing in Quebec?

Mr. Dufresne: May I say to the hon. member for Charlevoix that if he wants to read my speech in *Hansard*—I hope he can read—he will find out that I have never said anything like what he suggests. I am going to answer the hon. member by saying that I hope the people of the city of Quebec are given exactly the same privileges that this government is giving to the people in communist countries, our dangerous enemies, because I know they will be glad to have butter on their table at 37 or 39 cents a pound and for which they have to pay 63 or 65 cents.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, a great portion of this debate so far has been taken up with a discussion of the problems of western Canada. Amendments have been moved that propose to rectify this injustice. I am greatly disturbed at the fact that members of parliament should consider a bountiful harvest as a serious national problem, to use their own words. I can immediately assure hon. members of this house that the primary producers in the county from which I come would not view a bountiful harvest as a serious national problem.

Some of the primary producers in my county had a lean year this year, and this has been the case for two or three years past. This has not been due to overproduction, it was due to scarcity. I can assure you that they would be most grateful today if they had a year's production stored away safely with a guaranteed price assured to them. I do believe that there are members in this house from western Canada and that there are farmers in western Canada who have gone down on their knees to thank God for the four or five consecutive bountiful harvests He has provided for them.

I do not intend to discuss this matter at great length except to say that in my opinion there is shown a great lack of appreciation of the enormous benefits we have received. I only wish I could report that there are primary producers in the maritime provinces who are in the same position. On Christmas eve, just a few weeks ago, a member of the Salvation Army delivered a copy of their paper at my home. It is always a privilege and pleasure to support this unselfish organization. That particular issue contained a poem written by Colonel Edward Joy entitled "The Silent Mill" which reads:

> One winter's day I came upon a mill,
> Its long, gaunt sweeps were silent, quiet, and still;
> And, looking to the leaden, low-ring sky,
> I thought, "God has no care for such as I."
>
> The miller came, and saw me dreary stand—
> A blot of sadness on the snow-white land;
> And called, "Why thus so cheerless thou?"
> I answered, "Why? The mill is silent now."
>
> Said he, "Dost think that God has ceased to care,
> And that His thought for us is waste and bare?
> Oh, faithless one, why doubt and sigh and weep?
> God still His promises to us doth keep."
>
> "Come, look and see! The Lord doth still provide,
> His creatures' wants are safe and sure supplied."
> And then the granary door he wide did pull;
> I looked, and lo, a storehouse deep and full.

I think that is descriptive of the attitude we as Christians should take when our storehouses are deep and full.

For a few moments I should like to deal with certain remarks made a few days ago by the hon. member for Restigouche-Madawaska (Mr. Van Horne). At the present time

the hon. member is sitting with the Tories, but I can assure you that in my province there is a great deal of confusion as to which political party he supports. During the recent Tory convention which was held at the Chateau Laurier the Leader of the Opposition (Mr. Drew), the leader of the Conservative party, strongly denounced any action toward or thought of a coalition with any other political group. That statement was loudly applauded by all the delegates and all members of parliament belonging to that party.

Much to my amazement, I find the hon. member for Restigouche-Madawaska strongly supporting the Social Credit movement, both verbally and financially. My statement is supported and borne out by a letter written by the hon. member for Restigouche-Madawaska, and published in the *Vers Demain*, a paper which is supported and published by the Social Credit party. I want to put that letter on the record. It was published on January 15 and was written by the hon. member for Restigouche-Madawaska on November 29 last. I shall not go into the first two paragraphs because in them the hon. member is simply praising the work this organization is doing in our province, but the last paragraph reads:

> I was to enclose a cheque in my last letter, and it gives me pleasure to send you the amount of $50 for new subscribers to *Vers Demain*, a newspaper published at the right moment and which I read attentively and with a deep feeling of interest. Could you give me a list of books and writings that would allow me to study your movement more thoroughly?
>
> If I can be of some use in any way, do not hesitate to let me know.
>
> Yours truly,
>
> J. C. Van Horne, M.P.

Mr. Van Horne: On a point of order, I am a member for all of Restigouche-Madawaska, not just a few.

An hon. Member: Pretty weak.

Mr. Stuart (Charlotte): I do hope the leader of the official opposition, the leader of the Social Credit party in this house and the hon. member for Restigouche-Madawaska can get together and decide where that gentleman should sit. This energetic member had been in the chamber less than a week when he saw fit to use language which was most unparliamentary and which showed a lack of common sense and good judgment, language such as I have never heard before in the 15 or 16 sessions I have been here.

Many maritime organizations have suggested over the years that all maritime members should work together for the good of the maritime provinces. I am sure that this new member made a fine approach in that regard. The excuse which he gave for making such a statement was certainly weak.

Mr. Van Horne: I notice you have not done very much for the maritimes.

Mr. Stuart (Charlotte): I did not interrupt the hon. member the other day when he was speaking.

Mr. Van Horne: That is why the people down there—

Mr. Stuart (Charlotte): Tory members in referring to the speech of the hon. member for Restigouche-Madawaska emphasized other arguments he had made, but my experience is that any weak argument generally needs extraordinary emphasis. The remarks made by the hon. member in the House of Commons may have made an impression upon members of his own group, but as far as those who are familiar with the facts are concerned they did not go too far. In his speech the hon. member referred to the premier of our province in glowing terms and he quoted the remarks—

Mr. Van Horne: He is the best premier we have ever had.

Mr. Stuart (Charlotte): —of Premier Flemming before the Gordon commission.

Mr. Speaker: Order.

Mr. Stuart (Charlotte): Mr. Speaker, I would ask for the attention of the house. I did not interrupt the hon. member when he spoke, and I would ask the same indulgence.

Mr. Van Horne: Because I was not speaking nonsense like you.

Mr. Speaker: Order. May I ask the hon. member for Restigouche-Madawaska not to interrupt unless the member who has the floor consents.

An hon. Member: He wants to blow his horn.

Mr. Stuart (Charlotte): He quoted these remarks of the premier of New Brunswick before the Gordon commission:

> Though it is my firm conviction that the great economic experiment undertaken by confederation to make trade flow artificially east and west instead of naturally north and south was like trying to make water run uphill—it has turned out to be like our own famous magnetic hill in New Brunswick—a definite illusion.

I agree 100 per cent, Mr. Speaker, with that statement of the premier of the province of New Brunswick. I can hardly realize, however, that it could come from a Tory premier. To me it seems like the criminal returning to the scene of his crime. It must be that his conscience is bothering him. We were given a very fine opportunity to rectify

this great injustice in 1911. What stand did the Tory party take at that time, the party to which the hon. member belongs today? What stand did the father of the premier who made this statement take at that time? What stand do they take today? You will find they are the same flag wavers today they were 45 years ago; no truck nor trade with the Yankees.

If Premier Flemming is really sincere in the statement I have quoted may I say to the hon. member for Restigouche-Madawaska that it has taken 45 years for the Conservatives in New Brunswick to realize that the attitude taken by their party in 1911 has retarded the growth and expansion of the maritimes over that period of time, and has contributed greatly to the growth and expansion of the central provinces of Canada.

That is the price the maritime provinces have paid for the greatest Tory blunder of all times, and now the hon. member is trying to blame us for it. When Premier Flemming says that the defeat of reciprocity forced the maritime provinces to trade artificially rather than naturally he is absolutely correct. I fear, however, that he would have a real problem on his hands to convince the federal Conservative members that his statement was correct, that the situation could be met by adopting the method suggested by Sir Wilfrid Laurier 45 years ago.

The hon. member for Queens (Mr. MacLean) said during his remarks a few days ago that Rip Van Winkle woke up after 20 years. Poor old Rip Van Winkle's record has been completely broken by the Tories in the province of New Brunswick. It has taken them 45 years to realize that we have been trading artificially east and west when we should have been trading naturally north and south. Again I agree with the premier of New Brunswick that for 45 years we have been trying to make water run uphill, and they have only now decided that that statement is correct.

On January 18 the hon. member for Restigouche-Madawaska asked the Minister of Finance a question regarding the financing of the Beechwood power project in New Brunswick. This seemed to me a very odd question for him to ask because during his remarks, which are to be found in *Hansard*, he stated that we had power to sell in the province of New Brunswick and would be prepared to sell it to the county of Temiscouata in the province of Quebec in order to serve industries for that county. In one breath he is saying we need federal assistance to develop power, and in the next breath he is informing people that New Brunswick has power to sell. In my opinion this is another irresponsible statement.

In that connection, however, I look back to the great Tory disaster at Grand Falls, when our heritage was given away; when one of the power sites we had in the province that should have been developed was sold to United States interests by a Tory government. It may be that incident which makes him believe that power is still for sale in that province.

On page 174 of *Hansard* of January 16 the hon. member for Restigouche-Madawaska speaks of making use of our idle and wasting natural resources. He does not state, however that from the forests on our crown lands we receive revenue by way of stumpage, and that from our coal mines we receive a certain amount for every ton of coal taken from the ground. He failed to say that the ore discovered in northern New Brunswick through the efforts of a Liberal government is given away without one cent of revenue to our people. It is like the Grand Falls project. The people of our province are being sold completely down the river.

In New Brunswick we also have far different mining regulations than in any other province of Canada. All rights of the individual land owner have been taken completely from him by the provincial government. In other words, the big interests have taken over our heritage. The whole procedure has been shrouded in secrecy. I agree with one statement the hon. member made; these developments are controlled by a very few.

In describing the Beechwood project the hon. member for Restigouche-Madawaska failed to mention one fact, namely that there is a fly in the ointment so far as that project is concerned. At the present time we have a $50 million cart without a horse. The Beechwood development will never be economically sound until we get storage rights in Quebec and Maine. The people of New Brunswick are anxious that an explanation be made regarding this development. Why is there this great haste to start the project before the storage rights are guaranteed?

In my opinion a similar investment in the development of power from steam plants would have given us more power at less cost. I am firmly convinced that the natural flow of the Saint John river is a most unreliable source of power. I believe the hon. member for Gloucester (Mr. Robichaud) was absolutely right when he made this statement.

Then the hon. member for Restigouche-Madawaska went on to discuss family allowances. When the hon. member for Cochrane (Mr. Habel) informed him that the leader of his party had opposed family allowances

the hon. member for Restigouche-Madawaska said, "That is not true." I have here a dozen statements made by the Leader of the Opposition (Mr. Drew) on this subject when he was premier of the province of Ontario, but I will not quote them all. I have quite a number of radio addresses and statements that were made by him in the Ontario legislature, and I believe the statements he made at that time were sincere in every way. In a broadcast on August 9, 1944, he said:

> But I assure you that the government of Ontario intends to do everything within its power to make sure that this iniquitous bill does not go into effect. It is not this bill alone but the whole principle involved which we intend to resist.

Mr. Gauthier (Portneuf): Listen to that.

Mr. Drew: Mr. Speaker, the hon. member has used the word "untrue". I state that what he has said now is untrue. He knows he has been told in this house on other occasions that the statement he has made is utterly untrue. We supported family allowances.

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, we supported family allowances and, in fact, I have stated on earlier occasions in this house that it was with the assistance of the government I had the honour to lead that family allowances were introduced in the province of Ontario. We assisted in every way.

Mr. Gauthier (Portneuf): What a joke.

An hon. Member: What a laugh.

Mr. Stuart (Charlotte): These statements are known to all the people of Canada and to the members of this house.

Mr. Drew: They are known to you, and you know that these statements are false.

Mr. Stuart (Charlotte): Here is another statement taken from the *Globe and Mail* of August 3, 1944:

> The government of Ontario will resist, in every way possible, this carefully planned attempt to break our constitution by a steady process of attrition.

Would these statements by the Leader of the Opposition be considered so complimentary by the hon. member for Restigouche-Madawaska? Many Canadian citizens do not view them in that light.

Mr. Drew: Mr. Speaker, I repeat that the statement the hon. member has made is false. That has been stated before. He has just put his finger on it. The issue that was being discussed was the constitutional issue of the right of the provinces to have their position stated with regard to matters of this kind. What I have stated before is that it was a matter of record—

Mr. Stuart (Charlotte): Mr. Speaker, may I be permitted to continue?

Mr. Speaker: Order.

Mr. Drew: I stated that it is a matter of record.

Mr. Stuart (Charlotte): I have the floor.

Mr. Speaker: Order. It is extremely difficult at the moment for me to accede to the request on the one hand of the hon. member who has the floor to continue his speech, and on the other hand that of the Leader of the Opposition who wishes to interject a correction because the words that apparently are being dealt with are words that were uttered by the Leader of the Opposition prior to coming into the house.

Mr. Drew: That is quite right.

Mr. Speaker: If the Leader of the Opposition wishes, at the end of the hon. member's speech, to correct a part of the hon. member's statement concerning him which is contrary to the facts, he will be allowed to do so.

Mr. Drew: I intervened only because the hon. member repeated a falsehood.

Mr. Stuart (Charlotte): I think the Leader of the Opposition should deal with the broadcasting stations and the press, which have copied the statement and put this out to the public. I do not believe he should tell me I am inaccurate. If there is anything that is inaccurate it is the press and the radio of this country. That is where the correction should be made, not here.

Mr. Drew: It has been dealt with often, and the hon. member knows it.

Mr. Stuart (Charlotte): The hon. member for Restigouche-Madawaska then raised in this house a subject which in my honest but humble opinion should never be mentioned in the House of Commons by any Tory member from New Brunswick. I refer to the matter of old age security or old age pensions. The attitude taken on this subject by the Conservative party in my province for 10 years, I can assure you, fills many black pages of our provincial history. In 1926, when the old age pension act passed this house, we had a Tory government in New Brunswick. They had promised the old people in that province that they would be paid old age pensions immediately after that election, but for four years they sat there with their arms folded and did nothing.

In 1930 came the grand betrayal of all time. That was when the Tory candidates from one end of my province to the other, had in the hands of every clergyman in the province the application forms for old age pensions, urging them to get the forms into the hands of the old people immediately because after that election they were paying old age pensions. That procedure won the 1930 election; then they folded their arms for five long years. God knows that if ever there was a period in the history of my province when the old people needed a little boost it was during the hungry thirties, when we had a Tory government in New Brunswick and a Tory government at Ottawa. They did not pay them one single dollar.

The Liberals took over in 1935 with a promise to pay pensions within a year. Ten months from the day they took office, pensions were paid. For any Tory from my province to mention old age pensions today is to do something he ought not do. He had better leave the matter alone, because it is a black record so far as they are concerned in New Brunswick. It took the people down there 17 years to forget it, but I have not forgotten it yet. It is like the old hymn "I Love to Tell the Story". It is a privilege for me to get to my feet and do so, because I lived through that period and I saw the people suffer.

Then the hon. member for Restigouche-Madawaska, in his remarks as reported in *Hansard* of January 16 at page 2 of the translation said this:

> If the government had been loyal to the Canadian people, it would have raised the amount of this pension in proportion with the rise in the cost of living.

In those hungry thirties I have just mentioned—that is up until 1935—we had, as I have said, a Tory government in New Brunswick and a Tory government here in Ottawa. I should like to ask the hon. member for Restigouche-Madawaska whether or not the 20 cents a day paid by his government at that time was based on the cost of living. That dole of 20 cents a day is the only social service that any Tory government in my province or here can ever take credit for, in my memory.

The hon. member for Restigouche-Madawaska and the hon. member for Saint John-Albert (Mr. Bell) have also suggested that this federal government can see only as far as the Rideau canal, as far as the province of New Brunswick is concerned.

An hon. Member: That was not my statement.

Mr. Stuart (Charlotte): It may not have been your statement but it was the statement of one of your group. He said that the federal government could see only as far as the Rideau canal.

An hon. Member: He does not know what he is talking about.

Mr. Stuart (Charlotte): Don't worry; I am just talking about some things you do not like me to talk about.

An hon. Member: Tell the truth.

Mr. Stuart (Charlotte): I am telling the truth.

Mr. Hodgson: Partially.

Mr. Stuart (Charlotte): I will defy any Tory to show where I have ever said anything at all that was untrue.

Mr. Drew: I have shown you one case.

Mr. Montgomery: I can show—

Mr. Stuart (Charlotte): The hon. member has spoken once.

Mr. Montgomery: And I will speak again.

Mr. Stuart (Charlotte): I know it hurts.

Mr. Montgomery: It does not hurt.

Mr. Stuart (Charlotte): These are the latest figures available for federal assistance to New Brunswick.

Mr. Hodgson: It was Mackenzie King who said, "Not a five cent piece to a Tory government".

Mr. Stuart (Charlotte): These are the latest figures available with regard to federal assistance to my province. They are for 1955. There was $55 million for Camp Gagetown; $7 million for the Chatham air base; $20 million for public works; $16 million for family allowances; $13 million for old age security. I am giving these amounts in round figures. There was $1,500,000 for old age assistance; $256,000 for blind persons allowances; $1,500,000 for hospital grants and other services; $18 million for payments under federal provincial tax agreements and $1,500,000 for loss of the right to levy customs duties. Those amounts total about $133 million, when it is said that the federal government has not done anything, and when the total revenue of the provincial government is about $50 million, including the $18 million we give them. In other words they are collecting about $33 million in provincial revenue and we have increased that by $100 million, and they still feel that we are not doing anything.

Mr. Hodgson: How long has that been going on?

Mr. Stuart (Charlotte): It has been going on ever since we have had a Liberal government. I mentioned the fact that there was an amount of $1,500,000 to make up for the loss of the right to levy customs duties, but that is not quite correct. We still have not any customs duties down in my province but, as the result of the sales tax which the Tories promised to discard, we now have an interprovincial tax. For example, if I have an automobile in my own county and I want to trade it, I can do so, and I am given a credit of $700 or $1,000, whatever the trade-in value is. In other words, I do not have to pay the 4 per cent tax on the trade-in value. But if I trade that car in Nova Scotia I must pay it. So, we have now a customs duty as between provinces, as a result of the action of the Conservative government in New Brunswick.

Mr. Studer: They are almost as bad as the socialists in Saskatchewan.

Mr. Stuart (Charlotte): I want to put something else on the record. I have quoted figures showing contributions to my province by the federal government. It might be of interest to note that our total income tax payments in that province are less than $20 million. I will agree that if we had won the election in 1911 they would be $50 million today. The Tories have kept the figure at $20 million for 45 years.

The figures I have quoted, I believe, would convince any fair-minded person that everything possible is being done by this government to try to assist us in that province of ours. It was a bold stand taken by the Prime Minister to try to distribute the wealth of this country equitably and fairly. No other government ever had the energy and vision to do such a thing. Even with regard to the discussions going on in this building today with regard to health insurance, what is the suggestion he puts forward? It is that the provinces pay according to their ability. How could anything be fairer than that? If the doctors and the hospitals had the same vision we would not need health insurance. If the wealthy paid plenty and the poor paid nothing, we would not need health insurance.

The attitude of this government has been to try to distribute the wealth of this country equitably and fairly, and that is what they have done in my province. I want to give them full credit for it, even though some people may not agree with me. In fact without the $18 million which we are given under the federal-provincial tax rental plan we could not exist in my province. The services we now have would have to be greatly reduced, because that amount is more than one-third of our total revenue.

It must have been most embarrassing to those sitting to my left when the hon. member for Restigouche-Madawaska criticized our appropriation of $26 million under the Colombo plan. Many of the hon. members of his party have said that this was not enough, that it was a niggardly amount and it was not sufficient.

Mr. Van Horne: That is not correct.

Mr. Stuart (Charlotte): Your words are in *Hansard* and I believe I can understand them. Certainly the members of this party do not agree with such statements.

I do feel his crowning effort came when he criticized the billion dollar gift to Britain. In this statement he definitely refers to the British people as "foreigners". I know that must hurt a great number of the members sitting in his group. The years of blood, sweat, tears and sacrifice of those gallant people who faced the German hordes alone for two long years mean very little to this hon. member for Restigouche-Madawaska. The leadership of that great man, Sir Winston Churchill, perhaps the greatest of all time, is just another name to him. It is very noticeable that the Tory press in my province made no reference to this statement. But in my humble opinion, never in the history of this old world of ours did so many owe so much to so few as during those long dark years when Britain stood alone behind this great leader, defending the freedom which all democratic countries enjoy at this time. Their sacrifice was not in vain.

Mr. Ambrose Holowach (Edmonton East): After listening to a portion of the debate this afternoon, Mr. Speaker, I wonder just what the purpose of our meeting in parliament really is. I believe that once again we have come together in a parliamentary session for intelligently reasoning together and exchanging counsel on all those things which affect our people and the conditions in which they presently live. We are here to re-examine methods in order that we may operate successfully in the future and keep our communities and our country strong. In that respect I believe every single member has an important role to play and at the very outset of the session I believe it is a good idea for us to evaluate that role.

This parliament accepts as the symbol of progress the right of members to justly criticize and give full and unrestricted expression to their thoughts. This, of course, does not preclude members on the government side from continuing to backslap their government

for past accomplishments and repeating unimportant platitudes with respect to their present policy. I do not wish to offend anyone, but it seems to me that is not characteristic of a progressive democracy. The decisive characteristic of a progressive democracy is the far more important right and, indeed, the duty of members from all parties to offer a better way, better ideas and better alternatives to many of our present policies which today deny making economic and social security, with freedom, abundantly available to all our people.

We believe that the strengthening of our way of life can best be done by constructive criticisms and the early acceptance and management of our affairs on solid moral and economic principles. We are dedicated to such a cause, and we in the Social Credit movement shall continue to call upon the people of Canada to recognize that this movement is indeed the alternative to the old line parties. Our parliament meets at a time when there are certain happenings in the world which stress the urgency of putting our own house in the very best order. There are many opportunities for us to do that. The speech from the throne contains the following:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

I repeat:

> Some sectors of the economy have not fully participated in this increased well-being.

May I just dwell on that for a moment. We live in one of the wealthiest countries in the world. I certainly do not know of any other place on God's earth that has the potentialities for development which face us here in Canada in abundance. We have enormous quantities of the best wheat in the world; food, clothing and all the other essential materials from our fields and our factories. Great as our production is, it is only a scratch on the surface compared with what it could be if we gave inducements for capacity production. When we add to this picture the political freedom of our society, then surely we recognize that this parliament has the greatest opportunities ever, not only to raise the living standards of Canadians to the very highest levels but also to help others raise theirs.

By doing this we will not only be serving humanity but also making a contribution toward reversing the present setback which the free world has experienced in international affairs. Let us be honest. The struggle between the east and the west is not going well for our side. Since in my opinion communism is simply the outgrowth and essentially the result of people losing faith in there being another way to resolve injustice, exploitation and hunger, there is a big job to be done. This job is to make democracy so dramatically dynamic and real that all will want to emulate us.

In order to make that a reality I believe we should come to grips with the essential issues. Clearly the problem is not one of production. The grain growers of our west have produced record crops, but their sector of the economy has not fully participated in the increased well-being. Our factories have produced an abundance of goods, but people cannot afford to acquire all the essentials they need. When they do so it is only by means of instalment buying, which is nothing more than mortgaging most of their future earnings to pay for the things they need today. The problem then, in my opinion, is one of the interchangeability of goods, distribution, marketing, and purchasing power. Since the accepted medium of exchange is essentially money, in some form or other, the problem is one of finance.

I am not saying that all our fiscal policies are wrong. I am saying that many of them are only temporary solutions, since the very problem they try to solve remains unsolved and is becoming more serious all the time. Since monetary science performs an important function in modern society, I propose that in this session of parliament we set up a council of research to undertake a comprehensive study into all the factors of production, exchange, prices, consumption of goods and services. I grant that this would not provide all the answers to our problems. There are many unforeseeable factors that enter into such problems. The findings of such a research council, I do believe, could have historical significance and might well establish a solid and a secure background for sound fiscal policy formulation.

The terms of reference of such a research council should be all-embracing, and in my opinion very similar to the terms of reference given to the national survey of potential product capacity in the United States, an organization of 60 technicians and economists which was financed by the United States government in 1934 for the purpose of discovering: first, the ratio of actual production to capacity production; second, the manpower required for (a) existing production (b) capacity production; third, the degree of interdependence among industries to ascertain possible bottlenecks in the flow of materials from the natural resources to the ultimate consumer; and fourth, what purchasing power would be necessary to command capacity operation of the existing plant, at any given price level.

It is interesting to note that the national survey of potential product capacity was also empowered to translate capacity production into consumer goods and services, and translate the consumption of these goods and services into terms of life (a) for society; and, (b) for the individual.

The royal commission appointed last year for the purpose of investigating the economic prospects of Canada's future was certainly a step in the right direction, and it had the support of all members of parliament. Its terms of reference, however, limit its study to economic potential and development and not, as I understand it, to the distribution of that potential.

We all approve the setting up of the national research council and various boards to study the natural sciences. Would not a major research project investigating the field of monetary and social science be equally important? Professor C. L. Barber, assistant professor of economics at the University of Manitoba, concluded his article on Canada's economic prospects, appearing in the autumn edition of the *Queen's Quarterly*, 1955, with these words:

> The truth of the matter is, of course, that economists do not have the data they need to determine how long our present prosperity will last. While they understand a good deal more about the way our economic system operates than they did in 1930, very little research has been done on the vital question of what determines our economy's capital requirements. I know of no major research project that has investigated or is currently investigating the relation between population growth and the demand for capital. And the relationship of technological progress to capital requirements is still largely unexplored. The analysis of capital requirements has been listed as one of the topics which the new royal commission on Canada's economic prospects intends to explore. But in the time at their disposal they can hardly more than scratch the surface of this important topic. If our government in Ottawa can find $300,000 to finance the hasty and forced research that is inevitably produced by a royal commission, it can scarcely afford not to set aside funds to finance a long-range program of economic research. Canada badly needs a program of research in the social science field that is the counterpart of that provided by the national research council for the natural sciences. Until the results of such a research program are available economists can do little more than guess at the answer to my initial question..

I should like to turn at this time to a few specific sectors of our economy. The total figures of our gross national production and disposable income make it clear that we are enjoying a high level of prosperity, but there are facts behind the figures which indicate that very many people do not share in that prosperity. I think the lesson to be learned is that the mere fact of an increase in the gross production is not sufficient in itself for real prosperity unless that production is accompanied by government policies that make possible the consumption of that production.

I believe it is time to talk straight, and this debate on the address in reply to the speech from the throne is the place to do it. Every member in this house fully understands the value of our agriculture and the wonderful contribution that is being made by farmers of our country in the production of food. The number of speeches that have been made on the subject is an indication of that understanding.

In my own province, farm products exceed Alberta oil and coal wealth. Those of us living in urban constituencies know that the farmer not only feeds us, but we also rely on him buying the services of our city merchants and the products of our workers. Consequently the decline in his farm cash income affects all of us. Let me give one single example of this effect on heavy industry. This is taken from the dominion bureau of statistics news notes of October 28, 1955:

> Less harvesting machinery sold. Canadian farmers bought only $26,194,827 worth of new harvesting machinery last year, 62·4 per cent less than in 1953 when the wholesale value of sales totalled $69,579,783.

Just how serious the cash drop has been is further shown in the latest figures released by the dominion bureau of statistics daily bulletin, volume 25, No. 14, Friday, January 20, 1956, as follows:

> Cash income from the sale of farm products and from participation payments on previous years' prairie grain crops in 1955 amounted to an estimated $2,323,330,000, 2·3 per cent below the 1954 estimate of $2,377,800,000 and 18·5 per cent below the all-time high of $2,849,300,000 in 1952.

This means that farmers have suffered a loss of $526 million of revenue in 1955 as compared with revenues received in 1952. It does seem very peculiar that in a world in which hundreds of millions of people are threatened by starvation and when even in a great producing country such as Canada there are many people who have not enough to eat, our farmers should be forced into economic uncertainty. Here in this very city of Ottawa one sees posters appealing for donations to buy food for hungry children in distant lands, and pictures of children with puffed-up stomachs.

The point I make is that methods must be found to see that our farmer is paid cash, and methods must also be designed so that those nations that require our food are able to get it, irrespective of whether they have gold or dollars.

My second point is that whether we have a poor wheat crop or a bumper harvest,

farmers just never get a square deal. Long before this time the government entered into an arrangement with the farmers. The farmer was to produce; the government was to sell. Let us ask ourselves, who has broken that contract? Mr. Speaker, this government cannot escape answering to the western farmers for their omissions. As a matter of fact the farmers' problems have never been solved by the Liberal government, with the one exception of wartime financing when there was a greatly increased domestic and foreign demand created by the havoc of war. Even at this late hour, when the farmers are united in protest, the government has nothing better to offer them than legislation which, while it may assist some, carries with it far too much liability because it is an open invitation to the farmer to get into debt. It is not debt the farmer wants for having produced a great abundance of the very staff of life, bread; it is a fair cash return for a job well done.

Fortunately there are brighter sides to the picture. The decline in the number of unemployed is perhaps one of the best pieces of news we have heard thus far. It is good news in comparison with the situation a few months ago. We recall that unemployment had reached the top figure of 633,000 last March. It is presently claimed that our current unemployment figure in Canada is slightly over 200,000, and that this figure is normal. Certainly unemployment is never normal for a person who wants a job and cannot find one, and it is certainly not normal for the family that depends upon the earnings of that person.

I submit that the undertaking of one project alone would solve the present unemployment situation. The urgency of a trans-Canada highway system to meet the requirements of western Canada merits attention at this time. It was my privilege to have spoken on this matter in previous sessions, at which time I referred to the desirability of the federal government assisting the various provincial governments in the building of a road from Winnipeg to the Pacific coast by way of Saskatoon, Edmonton, Jasper park and the Yellowhead route. We have consistently asked for that consideration. The other day the hon. member for Jasper-Edson (Mr. Yuill) also stressed the importance of the Yellowhead route.

All that is needed is a little action from the Liberal government. The federal government's expenditures on highways is completely out of line with the income it receives from the various industries associated with good roads. The provincial governments have a big enough job building their own local and marketing roads without having the additional burden of constructing throughways and possible defence roads.

I should like to say how pleased I was to see that we will be considering new legislation on housing. This will, I am sure, contribute much to the elimination of poverty and slum conditions in which juvenile delinquency thrives and which impair the health of our people.

There is one other area in which there is a very great need. During my visit home it was my pleasure to meet with many of the old age pensioners in my constituency and to address their society in Edmonton. In numerous meetings with them I have learned to understand more fully the many extremely difficult problems they face because of the inadequacy of their pensions and the high cost of living. They impress me in other ways, too. I found them to be one of the most alert and thoughtful groups of citizens in our country. They are alert to what is happening in parliament, and they are thoughtful of the difficulties involved in the furtherance of aid to them by governments. Their case is very strong. Because I believe in it, I think it is proper for me to focus the attention of hon. members on it. It is true we have come a long way together in the field of social security legislation, and we are all grateful for that. Equally true is the fact that those on fixed incomes, such as old age pensioners, veterans, the blind and handicapped and all low income groups, are struggling desperately to make ends meet in the face of rising costs.

If everything else in our economy had remained static, perhaps their claim for additional help would be less justified. However, this is not the case at the present time. The production of our country is moving substantially upward, and it is not unreasonable to expect that this prosperity be reflected in improved welfare of the aged and others.

In January, 1951, when the federal old age security pension was made effective, the national income and national production in our country at that time must certainly have had a bearing on the amount this government earmarked for the senior citizens. Since that date the national income and the value of the gross national product have risen by over $2 billion in each category. This would work out to an average increase in income of over $120 for every man, woman and child in Canada.

We hear a great deal of talk from various hon. members regarding the need for markets. I have always maintained that one of the best markets we could have is right here in our own country, our own people. If this market

is to be used the purchasing power of the people must be increased in the same ratio as our production. If we weigh the problem carefully we see that elementary mathematics are on the side of the demand for an increase of at least $10 for old age pensioners. This would merely mean placing the present pension with the addition of $10 in the same ratio as the pension they received in 1951. As I see it, social justice is also on their side, because after all what is our job if not to devise policies which will alleviate the burdens of the people and fairly distribute increased bounty amongst every level of the Canadian people.

I think the same principle applies to the blind of our country. Just a few days ago I received a letter from the Canadian National Institute for the Blind written by Mr. W. E. Milton, assistant superintendent of the western division, and by Mr. A. DeCoursey, chairman of the Alberta division of the Canadian Council of the Blind, which reads as follows:

> Last year, in response to representations by the C.N.I.B. and The Canadian Council of the Blind, parliament amended the Blind Persons Act to lower the qualifying age for blindness allowance to 18 and to slightly raise the means test ceilings on allowable income. We greatly appreciated your support of these amendments and your interest in the welfare of the blind.
>
> Further to the letter you recently received from our national headquarters, we are writing to urge your support of our current one-point legislative objective. This important objective, a federal allowance without means test to all blind Canadians over and above the existing maintenance allowance to help meet the unavoidable expense of blindness, was advocated but not implemented last year. It is explained in the attached pamphlet and continues to be an urgent need. The principle of such an allowance is endorsed by the United Nations and by the world council for the welfare of the blind, and is in effect in some countries.
>
> You will be interested to learn that, at March 31, 1955, the blind population of Canada exceeded 21,000 persons. Only 7,570 of these were in receipt of the blindness allowance. Approximately 1,400 were too young to qualify while 7,344 were 70 and over and therefore, in receipt of the old age security pension. The remainder about 5,000 were ineligible for various reasons including inability to qualify under the rigid means test which limits a single person to an annual income including the allowance of $960 and a married person to $1,560.
>
> It will be obvious that the unavoidable expense of blindness is a real concern to every blind adult regardless of whether he qualifies or not for the maintenance allowance provided by the Blind Persons Act. Present legislation ignores his blindness if he is employed, but the unusual expense of blindness continues. Present legislation ignores his blindness when he reaches 70 and recognizes only his age. We, who know the need, earnestly solicit your support of our reasonable aim.
>
> With appreciation for past courtesies and best wishes for 1956, we remain.

There are a few signs of warning that we should heed. The debt in which people find themselves is at an all-time high. I believe that most hon. members who read the local papers will have seen the report in yesterday's Ottawa *Journal which was* captioned "Consumer Credit Up $305,000,000" and which read as follows:

> Consumer credit ballooned during the third quarter of 1955 to $2,212,000,000, up $305,000,000 from the first quarter of the year.

The taxation policies of this government make it virtually impossible for people to save and put away a little bit for a rainy day. I urge this government to make tax reductions, especially for the relief of those in the lower income brackets. It is a complete fallacy to claim that government revenue would decline. The very reverse is true, because reduced taxes would increase purchasing power in the hands of the people which in turn would stimulate consumption, investment and production. Consequently in the end our government would benefit by a greater increase in our economy.

In carrying out our program let us continue to guard against what I consider to be a real danger, namely the growth of the bigger and bigger government, which means more centralization and bureaucracy. There is far too much of that even now, and our efforts should be to reverse the trend. I think one way to do it would be to decentralize decisions as much as possible, and make available to every level of government adequate finances to enable it to do a good job.

The failure of the last two federal-provincial conferences, one in April and one in October, to my mind was a result of the government's refusal to do that very thing. There is more truth than fiction in the statement that Ottawa continues to attempt to create the impression that they are doing the provinces a favour by giving back to them a small share of the provinces' income. In the present crisis of outside events, when we need unity more than anything else, I think it is inexcusible for this government to continue hogging everything.

I think decentralization could be brought about in many other fields, such as the fields of aviation, radio and television. Why should the government have monopolies in these fields and then ask the taxpayer to foot the bill? Would it not be more sensible for us to bring about the desired expansion in these fields by inviting various voluntary and private organizations to enter them? There is every indication that there are many such organizations which would like to do so. There would be a double effect; on the one hand we would have the expanded services which are required, and on the other hand the cost of such expansion would not necessarily fall upon the shoulders of the Canadian taxpayer.

On previous occasions I have drawn to the attention of responsible ministers the need of a post office building in Beverly, Alberta. I examined the situation several times last autumn, and I can honestly say that the facilities are deplorably inadequate. In view of the requests made by their member in numerous debates the public there have a right to know why this government is still ignoring their request. I think these people are entitled to have a public building in which satisfactory post office premises would be available. Through me they once again respectfully draw the attention of the new minister to their need.

In conclusion may I just join with others in my constituency and elsewhere and ask in all sincerity that this government, which is charged with the responsibility for making decisions, do so solely in the light of objective thought and respond to the observations on some of the problems which I have briefly outlined.

Mr. N. A. Matheson (Queens): Mr. Speaker, there are a few things I should like to discuss briefly. Yesterday I was at home in my riding of Queens, and while there I met with and talked to a great number of people. I met and talked with many more during the last weeks and months of 1955. There are many things about which my people are happy, but there are several things which are causing concern and I should like to mention two of them.

Our provincial economy is largely dependent upon agriculture. While Canada as a whole is prosperous and booming, that is not true of agriculture in our province. This industry has experienced comparatively difficult times. Potatoes constitute only one phase of our agricultural economy, but they are the main cash crop of many farmers. They provide the extra cash which pays outstanding bills and provides the means to make purchases for the home or for the farm plant. You know as well as I do that when our farmers have cash to spend the urban centres benefit. Charlottetown, the capital city, is in the centre of my riding, surrounded by rural areas.

Right now the question of a tariff on potatoes is causing concern in my area. This matter was the subject of an intensive inquiry during the past summer by the tariff board, whose hearings in Ottawa I attended. Members of the board visited various parts of Canada and talked to producers and shippers and investigated the industry as a whole pretty thoroughly. I was glad to hear during the last day or two from the Minister of Finance that this problem is going to be studied further in the near future.

The change last year in the Unemployment Insurance Act has caused considerable difficulty at home. Our office advises that as a result of one of the changes made, approximately one-third of those eligible previously for benefits were ineligible last fall. I believe I was one of the first in Canada to draw this problem to the attention of the Minister of Labour, who happened to be in my area early last fall when I discussed the matter with him. I have discussed it further with him since coming to Ottawa. I know that other areas face the same problem, and I hope those responsible can effect a solution. I see no reason why they cannot.

I want to thank the Minister of Labour for having come to my constituency at that time, and also I want to thank the Minister of Finance who was in our province yesterday, when he spoke to several meetings. I feel quite sure that the parliamentary assistant to the Minister of Fisheries, the hon. member for Prince (Mr. MacNaught), would want to associate his name with what I am saying, as he was there with us.

The hon. member for Prince had a most unhappy experience recently, when his constituency was hit extremely hard by a severe sleet storm. The western part of my riding was also affected adversely, and as a result there are many people who will not have their electric power restored for several weeks. But the entire area of Prince took the brunt of the storm, and they have had and are having extremely difficult times. They are still having difficulty, and it will continue for some time to come. I want to express my sympathy to those who are so very seriously handicapped by the loss of service and the crippling disruptions that loss entails.

Yesterday, while in Charlottetown, I talked to the manager of our local employment office. He was very happy, he told me, about the manner in which business firms and people generally are co-operating in the very fine effort his office is making to stir up interest in providing extra winter employment for people who would otherwise be idle. I know he would like me to put his appreciation on record today.

I spoke a few minutes ago about some of the economic difficulties we have in our area. I regret the manner in which some of the members opposite approach the problems of the maritimes. I say that because I do not think we can get anywhere by just being belligerent. My own idea is that we should seek to attract listeners and get their attention.

It is true that other parts of Canada have prospered beyond the fondest dreams of some of the people in our area. They have

advantages of geographic location. They are close to large centres of population. This means good markets. They are close to sources of abundant power which is available at a cost that makes it economically feasible to use that power in industry. They have many advantages, and I recognize that.

I bow to no one in my loyalty to my own area, but our lack of progress perhaps may not all be the fault of someone else or some other place. In my own personal experience I have found one cannot advance just by pushing somebody else down. You have to climb the rungs of the ladder yourself if you are going to ascend. In this connection I am very happy to note that the Atlantic provinces economic council is a most live and active organization in our area. It is generally known as APEC and is composed of some of the best men in our provinces. They are probing and searching for ways and means to advance our interests, to promote new and better industries and to improve and extend, if possible, the ones we now have.

If I may state their object in a few words it is this: self-help for the provinces in which they are working. A number of men from my own province are working with that organization. I do not mean we shall not accept and, indeed, seek help and economic assistance from the federal government in an effort to improve our position. I have in mind now a project that would be of tremendous benefit to us in Prince Edward Island. I think it would also be a boon to some of the adjacent provinces, particularly New Brunswick. It would practically revolutionize our transportation facilities so far as connection with the mainland is concerned.

We have a modern and powerful icebreaking car ferry. We have a second stand-by boat that is now over 40 years old. These ships render a good service to the extent that their facilities enable them to do so, but there are times when their facilities are not capable of handling the traffic that is offering. At best the delays are annoying to the tourist, and they are very costly to the industrialist and the businessman. If one misses a boat he may have to wait several hours for the next one.

The proposal I have in mind would end these delays and would assure us of continuous communication with the mainland as was envisioned in the pact of confederation. I am proposing a causeway across the strait of Northumberland. Before someone tells me this is fantastic or even economically unsound, let me say that the proposal has received and is now receiving the very serious attention of people who are qualified to consider and discuss such things. I cannot give any details, because the knowledge I have of details is knowledge given to me in confidence for the moment. I can say, however, that preliminary studies of the project indicate that the proposal may well be feasible from an economic standpoint and is entirely feasible from an engineering standpoint.

Several firms qualified to study such things have been looking into the possibilities. Included among them is one of the most highly regarded causeway engineers on this continent. May I suggest that the annual deficit on the operations of the car ferries on the Borden-Tormentine run would finance the cost of construction. By that I mean it would pay the interest on the money it would take to build the causeway.

The distance across this strip of water is much greater than across the strait of Canso, where a causeway was built and is now in efficient operation. On the other hand the water is not nearly as deep. Certainly the development would be most desirable in so far as the improved service that would be rendered is concerned. There would hardly be any comparison between the service that would be available and what is available now.

A causeway would translate into terms of modern development and modern thinking the pledge of confederation to provide continuous communication between Prince Edward Island and the mainland. Some might say it would join Prince Edward Island to Canada. I should like to say that it would join Canada to Prince Edward Island.

Mr. A. J. Brooks (Royal): Mr. Speaker, I do not intend to take up the time of the house for too long. At the outset I should like to join the hon. member for Queens (Mr. Matheson), who has just taken his seat, and pay my tribute to APEC, the Atlantic provinces economic council, which through its own efforts is trying to find ways and means to benefit our provinces. I should have liked to be able to express the same complimentary remarks about the speech made this afternoon by the hon. member for Charlotte (Mr. Stuart), but I am afraid I have heard him make that speech too often in the house to compliment him on it. It is the type of stump speech we have heard for the past 35 or 40 years in the little schoolhouses of the province of New Brunswick.

The hon. member referred in uncomplimentary terms to the hon. member for Restigouche-Madawaska. The people of Restigouche-Madawaska have expressed their opinion of the hon. member for that constituency, and have done so in no uncertain terms

in a constituency which for over 50 years, I believe, with two exceptions, has returned Liberal members to the house with large majorities. The hon. member for Restigouche-Madawaska, a young man who had never been in politics before, came into the picture and by his personality and his hard work, and by placing the issues before the people of that constituency, won it for the Conservative party. I think that speaks for itself, and no detraction by the hon. member for Charlotte or anyone else can take that away from him.

Mr. Robichaud: It will not last long.

Mr. Brooks: The hon. member also spoke about the government of New Brunswick. We have a Conservative government in the province of New Brunswick after 20 years of Liberal government, and I predict that when the present government go to the people they will come back with a larger majority than they have at the present time. To cast reflections in connection with Grand Falls is an old, old story.

Mr. Stuart (Charlotte): Is it not correct?

Mr. Brooks: The pulp and paper industry we have in the province of New Brunswick today was based on the hydro development at Grand Falls, and there are thousands of people in Edmundston, Campbellton and other sections of New Brunswick who today thank the Conservative government of that time for developing Grand Falls and getting this industry for us. If the hon. member wants to talk about industry, why does he not speak about Milltown in his own constituency?

Mr. Stuart (Charlotte): Mr. Speaker, I rise on a question of privilege. I can assure the hon. member that Milltown is working nearly full time, and that things are going very well.

Mr. Brooks: That is the very statement I was going to make, but no thanks to the Liberal government. If matters had been left to the Liberal government Milltown would have been closed the same as Marysville, and there would not have been any work in Milltown.

Mr. Stuart (Charlotte): On a question of privilege, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Brooks: But owing to the energy of the people of that town—

Mr. Stuart (Charlotte): I rise on a question of privilege, Mr. Speaker. I want to tell the hon. member for Royal (Mr. Brooks) that the provincial government he speaks of found money for other industries in the province, but they could not find any for Milltown.

The Acting Speaker (Mr. Applewhaite): Order. Perhaps it might be well, before this discussion goes further, to remind the house that matters of fact in debate are not matters of privilege.

Mr. Brooks: There are just these few things I want to mention. I am not going to take up much time answering them. The answers are too obvious. The people of New Brunswick know them.

Mr. Stuart (Charlotte): I'll say they are obvious.

Mr. Brooks: The hon. member spoke about $18 million given to us in subsidies, while in the next breath he said that the people of the province of New Brunswick pay $20 million in income tax. Where is the gift from the federal government if they give us $18 million in subsidies and we pay out $20 million in income tax?

Mr. Stuart (Charlotte): I am suggesting $130 million.

Mr. Brooks: That is characteristic of the whole argument the hon. member tried to make this afternoon.

Mr. Stuart (Charlotte): I did not try to make it. I made it.

Mr. Brooks: The biggest boast he has made in the House of Commons since I came here was that he was a smuggler and a lawbreaker. He does that in the face of the minister who is supposed to administer the laws of this country.

Mr. Stuart (Charlotte): That is parliamentary language for you. Apparently I got under his skin.

An hon. Member: You admitted it.

Mr. Stuart (Charlotte): Yes; I admitted it and I am proud of it.

Mr. Brooks: He has admitted it and he says he is proud of it. Having admitted being a smuggler and lawbreaker, he says I do not know what I am talking about.

An hon. Member: There are other things that are lawbreaking.

Mr. Brooks: In a paragraph in the speech from the throne I was pleased to note that the royal commission to examine and report upon our economic prospects is proceeding with its inquiry. I am hoping they will recommend for one thing the decentralization of industry in this country. It is something we in the maritimes have asked for on many occasions,

and it is something in which this federal government could have given us a good lead in connection with the matter of defence production. It is also something which I believe would have been economically and militarily sound.

Another paragraph in the speech from the throne states as follows, as reported at page 2 of *Hansard*:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

It is also a statement of fact, Mr. Speaker, that in certain sections of this country there has been a high level of prosperity. However, we in the maritime provinces have not enjoyed that prosperity, although we are pleased that other sections of the country have done so. This has been true not only for this year but for a great many years in our part of the world.

The people who today are suffering the most and who have the greatest problems are the farmers of the dominion. We have in this country today great surpluses of wheat, of butter and of apples. We cannot sell our apples, as a matter of fact, and we have a surplus of potatoes. I sometimes wonder what would happen if potatoes and apples were non-perishable goods, as are wheat and butter. If they were non-perishable, in addition to having millions of bushels of wheat and millions of pounds of butter stored up in this country I am satisfied that we would have millions of bushels of apples and millions of bushels of potatoes.

This is a great problem for the Dominion of Canada. The fact that we cannot export or sell our goods is a greater problem for us than for any other country in the world. In order to live, Canada must export from 20 to 25 per cent of her goods. In the United States 95 per cent of the production is consumed there. Hence the problem, so far as they are concerned, is not the great one that it is for us.

I am not going to discuss wheat this afternoon, Mr. Speaker, because I know little about that problem. I know a little bit more about butter. In my constituency of Royal, particularly in the county of Kings, we are a dairy-producing section. We have some of the finest dairy herds you will find anywhere, not only in the maritime provinces but in Canada. My town of Sussex is known as the dairy centre of the maritime provinces. In the town of Sussex we have two large and well-run butter factories.

The fact that it is not possible for Canada to sell all her butter creates a serious problem in my section of the country. I know there are many young men today who say this: If the future of the dairy industry and the butter industry does not get any brighter, I shall have to give up the farm or leave the farm that my father worked for years, leave the herds of cattle which it has taken so many years to improve, and find work in some other part of the country.

Just recently we were honoured in the province of New Brunswick by having held there a meeting of the dairy farmers of Canada. We were pleased indeed to have this convention held in the city of Saint John on the 14th day of this month. I might say that it is the first time this convention has ever been held in the maritime provinces. To have these men representing 455,000 producers meet in our province was a great compliment to us and, I believe, a great inspiration.

I was pleased to read in the paper the objectives of the dairy farmers of Canada. They are as follows:

> With their primary objective "To promote the betterment of the dairy industry, and to co-operate with all organizations to this end," the dairy farmers of Canada have many other aims. They endeavour to maintain and improve the high quality of Canadian dairy foods; to encourage the adoption of uniform grade standards; to promote research by recognized government and other established agencies, and to develop markets, lower production costs and generally benefit the industry and the consumer.

These are laudable objectives, and I am sure we wish the dairy farmers every success.

I am not one who would try to prescribe a solution for the present situation. I have always felt that our farm products should have greater sale in Great Britain. Before the war we had a great market in Great Britain, particularly for our apples, wheat and cheese. Had some effort been made to try to develop this market further since the last war, I believe that we would not have in Canada today such large surpluses of wheat and of butter.

By the way, I might say this. When one reads the press it is extremely confusing to note that while, according to an answer received from the minister's department, there is in Canada a surplus of some 100 million pounds of butter, nevertheless the Minister of Agriculture says that there is no surplus. It is very difficult indeed to reconcile statements of that kind. So far as I am concerned, and I believe so far as the people of Canada are concerned, they are going to believe the statements put out by the bureau of statistics.

Another complaint which the dairy farmers have, and which I feel is a very just complaint, is that we are using too much vegetable oil in this country. Many times in my own constituency I have heard it said that some effort should be made to curtail the large quantity of vegetable oils being used today. I understand that vegetable oils which are imported into Canada are the basis for margarine. In an address to the national dairy council at Lake Louise on September 5, the president of the council had this to say:

> It may be noted in this connection that our good neighbours across our southern border are this year anticipating a record crop of soy beans. The price of soy beans has already dropped drastically, and is reflected in recent large price reductions of margarine in Canada. In other words, our dairy farmers are being exposed to price competition from foreign produced oils in large surplus supply, without benefit of any effective tariff and without any attempt being made to meet the competition in the only way the consumer will recognize, namely, price.
>
> It is ironic that the consumer demand for cheaper food which comes largely from foreign sources, is undermining the prosperity of a large segment of our producers of basic raw products and thereby also undermining the prosperity of these same consumers.

As I said a moment ago I think the dairy farmers have a very just cause for complaint in this connection.

I have been quite interested in the speeches made by hon. members from my own province. I wish to congratulate the hon. member for Restigouche-Madawaska upon his maiden speech. He gives every indication of being a very courageous and valuable member of this house. I wish to congratulate the hon. member for Saint John-Albert, a young member who is certainly taking his place in this House of Commons. I congratulate the hon. member for Victoria-Carleton. I doubt if there is anyone in the house who understands the problems of the potato producer in Canada better than this hon. member.

I should like to say a few words with reference to some matters which were brought up by hon. members opposite. The hon. member for Westmorland (Mr. Murphy) again mentioned the Chignecto canal. The hon. member knows my attitude on this subject. The Chignecto canal is something which was discussed in this house long before the hon. member for Wetmorland ever had any connection with politics. I recall my old friend Mr. Black, the former member for Cumberland, speaking on this matter many years ago. The hon. member for Digby-Annapolis-Kings (Mr. Nowlan) has spoken on it on many occasions, and I have done the same. I do not believe there was ever a time in the history of New Brunswick when the Chignecto canal meant more to the people than it does now.

I shall not weary the house by reading it, but in 1949 when we were discussing the St. Lawrence seaway I made a speech in which I said that if the St. Lawrence seaway were developed, we in the province of New Brunswick were prepared to pay our full share of the cost of this development. However, the only practical benefit we could receive would be through building the Chignecto canal, which I consider to be supplementary to the St. Lawrence seaway. It would mean a reduction of over 400 miles in the carrying of freight from Saint John, New Brunswick, the bay of Fundy or ports along the New England coast. I do not see how the federal government, when it goes on with the development of this St. Lawrence seaway, can neglect the Chignecto canal.

But I want to say to the hon. member for Westmorland—and the hon. member for Cumberland (Mr. Lusby) who also mentioned it—if they had been here five or six years ago when a delegation came from the maritime provinces, representatives from all parts of New Brunswick, Nova Scotia and Prince Edward Island, and had seen the brush-off those men received from this government in the railway committee room they would feel, as I feel, that if the Chignecto canal is ever built it will have to be built by some other government than the present one. The Conservative party has been in favour of the Chignecto canal ever since it was mentioned here a number of years ago.

Now, Mr. Speaker, there is another subject about which I should like to speak for a few minutes, and that is Passamaquoddy. Before I do so, I want to say to the hon. member for Charlotte that I was very much surprised at what seemed to me to be an attack on the Beechwood project here this afternoon. We do not expect that Beechwood will be the answer to all our problems so far as hydro development is concerned. It will hardly more than carry the load over the next eight or ten years. It is not necessary in the development of Beechwood, as the hon. member knows, that we obtain storage rights in Quebec or Maine. If the full development of the Saint John river is ever undertaken, then it will be necessary to obtain such rights. However, so far as Beechwood is concerned, the storage we have in the province of New Brunswick alone will give a waterhead sufficient for the development of this project. When the hon. member tries to draw a red herring across the Beechwood project by saying we must obtain authority from Maine and Quebec, he is making a statement which he knows is incorrect.

Now, so far as the 'Quoddy development is concerned, that has been advocated for a good many years. There is a long history to

the proposed development of tidal power on the Passamaquoddy river. I recall that when I was a member of the provincial legislature some years ago a man by the name of Dexter Cooper, one of the leading hydroelectric engineers in the world, came before us with a model for the proposed development of hydroelectric power from the rise and fall of the tide in the Passamaquoddy river. He explained it to the members then, but there was not much interest in New Brunswick at that time. As a matter of fact the reception was rather lukewarm.

Then the depression came and after that the war, and there was very little interest taken in the proposal except in the United States. President Roosevelt was very much interested in it. He had lived during the summer months on Campobello island near the Passamaquoddy, so he knew the possibilities of developing hydroelectric power there. He was in favour of it as was his successor, President Truman. The state of Maine has been able to interest not only the House of Representatives and the Senate of the United States, but they have been able to get congress to vote money for further investigation into this development.

Stated briefly, I believe this development is feasible. I believe also that if it is developed, and if the province of New Brunswick and the Dominion of Canada will share in the development and the province of New Brunswick is able to get its full share of the horsepower, which is considered to be about a million—New Brunswick's share would probably be about 450,000 horsepower—New Brunswick would be placed on a par with any other province in this Dominion of Canada so far as electric power is concerned, and we would have sufficient power for any industries that might wish to come to our province in the future.

As I said a moment ago, there was indifference in the past, and I am afraid that at Washington they still think there is indifference on the part of the people of Canada, represented, of course, by this government. I received a letter dated February 9, 1953, from Senator Margaret Smith, of Maine. That is nearly three years ago. The matter was then being brought up at Washington by Senator Smith. Her letter reads:

Dear Mr. Brooks:

Washington is very interested in the Quoddy proposal. However, there is a general impression here that Canada has a relatively negative attitude on the proposal—

I sometimes wonder whether that is true. I hope it is not, Mr. Speaker. I hope this government will do everything it possibly can to prove whether or not it is a feasible proposition. If it is proved feasible, I hope the government will do everything it possibly can to develop this great waterpower.

I continue to quote:

—and that impression is acting somewhat to the prejudice of the proposal. I hope that is not true and that you can help to clear up the matter.

Enclosed is a copy of the current legislation. The Maine delegation has a conference set for this coming Tuesday morning to talk with President Eisenhower on the proposal.

Thank you for your generous comments about my senatorial record. I have a real affection for our neighbour Canada and enjoy every opportunity I have to go to Canada.

Sincerely yours,

Margaret Smith.

There is another matter which I had intended to mention briefly, but it has been well discussed by the hon. member for Hastings-Frontenac (Mr. White), the hon. member for Vancouver-Quadra (Mr. Green), and others. I refer to veterans affairs. I was disappointed that no mention of veterans was made in the speech from the throne this year. They should have been mentioned. There are problems. The other day the hon. member for Halifax (Mr. Balcom) mentioned the war veterans allowance ceilings, and suggested that they should be raised to $1,200 for single veterans and $2,000 for married veterans. Members of the committee know that last year and other years I had amendments and resolutions to this effect.

The senior hon. member for Halifax mentioned service in England. I should like to say to the hon. member for Halifax that for the past 15 years, ever since the War Veterans Allowance Act has been discussed either in committee or in this House of Commons, opposition members and our party in particular have pressed for the inclusion of the soldiers who served in England under the war veterans allowance. It has been turned down repeatedly by his own party. I assure him that if he ever expects these men to be included under the terms of the War Veterans Allowance Act he will have to look to some party other than his own to take the initiative.

Certain amendments to the Pension Act should be considered this year as well. Since I am speaking of veterans affairs, Mr. Speaker, I should like to make a brief reference to a trip I made overseas this year in company with the hon. member for Calgary North (Mr. Harkness). First I want to thank the Minister of Veterans Affairs (Mr. Lapointe) and the Minister of National Defence (Mr. Campney), for the kindness they showed in making the arrangements for us to visit the cemeteries in France, Holland, Belgium and Italy.

At the outset may I say there is a mistaken idea, not only among our own people but among people of other nations, that those

cemeteries are cared for and looked after by the people of the different countries in which they are located. That is not true. I read in the visitors' books of many of the cemeteries that some persons from Canada, Australia, New Zealand and Great Britain, who had visited the cemeteries, had written in the following remarks: "We are grateful to the people of Holland", or "We are grateful to the people of France", or Belgium, "for the care they are taking of our soldiers' graves."

Nothing could be further from the fact, Mr. Speaker. These graves are being cared for by the imperial war graves commission. This is an organization that was set up in 1917. The head of it is the Duke of Gloucester. There are representatives from all of the countries of the commonwealth. They have a tremendous task to perform. They care for the graves of 1,104,000 men who died in the first war and 569,000 who died in the second war. Their activities extend to Africa, Asia, Europe and wherever commonwealth or British Empire soldiers are buried.

I was amazed and pleased; I can hardly find adjectives to describe the manner in which those graves and cemeteries are looked after. There could not be any finer cemeteries anywhere in the world than the cemeteries that are being looked after by the imperial war graves commission. In those graves you will find lying side by side men from all parts of the commonwealth and the British Empire, soldiers from Australia, New Zealand, Canada, India, South Africa, or wherever they may have come from. The resting places of our dead are places of beauty and peace. On every grave you will see flowers, rose bushes, or shrubs of some kind blooming.

If any hon. member has an opportunity to visit Europe, I suggest that he go and see for himself. It would be impossible for him to visit all the cemeteries, because it would take weeks. The hon. member for Calgary North and I spent three weeks there and we did not see nearly all the cemeteries. None of them is truly Canadian, but those that approach the nearest to being Canadian and are called Canadian are at Beny-sur-Mer, Bretteville-sur-Laize, Dieppe, Calais, Bergen op Zoom, Cassino and Ortona in Italy.

In addition to visiting the graves we visited the memorials. The Canadian memorial at Vimy Ridge is probably the finest memorial of any nation in the world. I was a little concerned to read in the press not long ago an account of the visit to this memorial of Captain Sharpe of the 1st Canadian division. He went there on November 11 expecting to find a ceremony of some kind, and was very much surprised to find that only he and the caretaker visited the memorial on that occasion. The caretaker presented him with a wreath and asked him to place it on the memorial, which he was very proud and happy to do. Upon his return to Canada he wrote an article and expressed surprise that a ceremony was not held at Vimy Ridge on November 11. I am sure this information must come as a surprise to a great many people and I think it is a matter that should be very carefully looked into.

Another memorial in which I am particularly interested is the Newfoundland memorial in Belgium, and I want to congratulate the people of Newfoundland for arranging for this splendid memorial. It is perhaps the most practical memorial of any I saw. It consists of 100 acres of land which have been left in the same state they were in following the war; that is, there are trenches, shell holes and machine gun emplacements there which present a realistic picture of battle conditions. There is just one thing I might criticize in relation to this memorial; that is the caretaker's home, which is in a state of disrepair. I think some attention should be given to it.

Mr. Lapointe: It is being repaired this year.

Mr. Brooks: The minister informs me that it is being looked after this year. Another memorial which is of particular interest to people in the maritime provinces is the one erected by the 85th battalion. The 85th battalion is supposed to have advanced, and I think it did advance, farther than any other unit of the Canadian army at Passchendaele. At the spot where they were held up they have erected a monument. The 85th battalion association has looked after the care and maintenance of this memorial for approximately 40 years. Many of the men of the 85th battalion have passed away and it will be only a matter of time, I think, until this organization will not be functioning.

This memorial is not under the care of the imperial war graves commission and I would recommend to the minister that it should be. It is quite difficult to find, in that it is in the centre of a wheat field. Doubtless the association owns the land immediately surrounding the memorial, but I doubt if the path leading into it is in their possession. This is a matter which I hope the department will look into.

I have nothing more to say, Mr. Speaker, except to make it clear that in speaking about the people in these different countries not taking part in the decorating of the graves,

is because the imperial war graves commission do not wish them to do so. They fear they will litter up the graves with material which they would not wish to have there. We did learn, however, that school children from various countries, together with their masters, visited the graves and were told about the Canadian soldiers and others of the commonwealth. The cemeteries are visited practically every day by some of the people who live in those areas.

(Translation):

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, at the outset of this speech, I should like to congratulate the movers of the address in reply (Mrs. Shipley and Mr. Laflamme) on the way they handled their task.

The hon. member for Timiskaming pointed out various matters of great concern to her on behalf of her constituency and, as it is the first time that a member of the fair sex moves the address in reply, she deserves the compliments that have been extended to her by the members of this house.

The young and new member for Bellechasse also deserves congratulations from his colleagues, and I do hope that he will often take part in the debates which will be held in this house.

(Text):

Mr. Speaker, in the time I have at my disposal I intend to speak on two subjects which will no doubt be the subject of many discussions in this house and throughout Canada in the years to come. Automation and free enterprise have been responsible for many discussions, and I should like to express my views thereon.

During the past year or so people have become aware of a new word. They have already become familiar with such terms as atomic energy, radar, and microwave for television and electronics. Now they hear and read about automation and a few of us look forward to the great new things that automation will mean to the world. Others are worried and fearful and think it will bring about unemployment and poverty.

Just what is automation, and what does it mean to us all? Automation is really nothing new. It is just the continuation of a long, long process of technological advance. It really began a way back when man first invented the lever to help him to lift a heavy object, and it continued through all the ages as man sought to make his daily work easier and his production greater.

For a long time no one feared these improvements in working tools because they could see how helpful they were. Then, about a century ago, men invented machines that could do much of the work they had had to do. They began using steam to provide the power that had formerly been created by man's muscles. Then they used water power to make electricity.

This brought about what was called the industrial revolution. Machines, it was found, could knit yarns and make it unnecessary for thousands of women and children to work in the knitting mills. Machines could do more in less time and work became easier.

People were frightened then, too, because they thought the machine would do them out of jobs. Some of them went so far as to smash the machinery, thinking it was a job thief. But the machines did not make unemployment. They created new employment. Thousands of people had new jobs at higher pay, making the machines. Working conditions were improved. The things the machines made cost less to produce, so more people could buy them. And as more people bought them there were new jobs in the mills and new jobs making the machines, delivering and selling the goods they produced. Everybody was better off than they had ever been before.

During this century we have seen even greater advances in mechanization. Nobody would want to go back to the days of hand work, when everybody worked long hours for poor pay and were unable even to buy the things they produced. How many people could own their own homes today if all our houses were built as they were in the past? In those days, home building could be done only during the summer. Plasterers and bricklayers, masons and roofers worked only six months a year. Everything was done by hand, from the digging of cellars to the laying of shingles.

Then technological improvements began in the building trades. Mehanical shovels dug out excavations in a matter of hours instead of days. Electrical welders went to work. Building materials were fabricated in the factories. Thousands of houses could be built in a season, and year-round employment was provided for those making components.

The same is true, of course, in many industries. The motor car and the television set are possible only because of mechanization. The telephone and the electric refrigerator would be impossible if they had to be made by hand.

All of us accept these modern things, and when we think of it we realize that we could have none of them without machinery. Every year in research departments and in experimental factories new things are made and new ways are devised for making them. All

this is simply technological development, new advances in the field of technology. And all this helps to make possible our modern way of life.

Now we come back to that new word, automation. It is really just a further step in technological advancement. Certainly it goes far beyond what our forefathers thought could ever happen in our industrial world. The first machines required many men to operate them. Under automation there will be many machines which do all the things the human operators used to do. New machines will work automatically.

The simplest illustration is the automatic gear shift on a new car. It has always been necessary for the driver of a car to change gears when he wanted to stop and start, drive through mud or snow, or speed up or slow down. Now an automatic gear shift does all that for him. The car knows when to change gears and does it all by itself. So we have automation.

In a factory automation will work the same way. At a certain time of day the automatic machinery will start a press or a weaving machine going; it will watch to make sure the machine is operating efficiently, and it will stop the machine when a certain amount of production has been achieved. It will also do such things as test the product from time to time and make sure that nothing is wrong.

So it will not be necessary to have an operator standing guard all the time to keep the machine running. This is what is called a push-button operation; you push a button and the machine does the rest.

What will be the next result of automation? In the first place it will release a number of people from humdrum jobs and enable them to take work with more opportunity. It will do away with the need for common labour and make more jobs for skilled workers. In short it will upgrade our workers, giving them better employment, better working conditions and better pay. At the same time it will reduce our production costs and enable more people to buy the things they want.

Instead of being afraid of automation we should welcome it. It is another step along the road to a more abundant life for everyone. Automation, the word of the future, holds out great promise to us all today. It is part of the brave new world in which we live, and is something our children will accept as one of our great contributions to their happiness.

So much for automation. Another term which is so often misunderstood is the word enterprise. Many people have misinterpreted this word, many fear it and many praise it. In the first place, let us admit that there is no such thing in this world as free enterprise, if by free we mean enterprise that is completely beyond any control. In fact none of us would want such a thing. If there were perfectly free enterprise there would be no government, no laws, no control. There would just be chaos. So I think all of us agree that we have enterprise, but it is subject to many laws and conditions which make it acceptable to society.

No individual or company is allowed to carry on an enterprise which is harmful to society. We do not permit the selling of dope or narcotics except under strict medical and governmental supervision. We have imposed certain restrictions on the selling of comic books. We do not permit people to publish libelous statements. In all these respects enterprise is not free.

At the same time I think it is also a mistake to refer to private enterprise. Certainly there are some enterprises that are private, that are carried on by one man or by very few men, but most of our great enterprises in the country are public enterprises in the sense that they are made possible by joint ownership of a great many people. The telephone company, for instance, is owned by hundreds of thousands of shareholders. Every big manufacturing company has many, many shareholders, and so do all our great corporations.

In law we make a distinction between private and public companies. A private company is restricted to a certain number of shareholders, usually less than 50. A public company sells its stock on the market and may have many, many owners. So it is correct to say that our enterprise in Canada is very seldom private. It is usually the result of participation by the public.

We in Canada have been fortunate in devising a method by which enterprise can thrive. We admit the responsibility of the government in certain fields, but in the bulk of our national activities we rely upon the enterprise of those Canadians who seek to build and create and serve their fellows at a profit. We all believe in one form or another of the profit system.

The man who works for wages sells his time and his labour at a profit. He seeks enough for his efforts to enable him to buy the things he wants and do the things he likes to do. He realizes, also, that those who pay him must be able to realize a profit on his services or they will soon be out of business and he will be out of a job. The need for a profit goes all along the line. Our whole economy is based upon the desire and ability of each of us to profit by his own endeavours.

And because this system exists we enjoy the second highest standard of living in the world and are one of the great development countries of the world.

Since the last war Canada has seen the investment of millions of dollars and the employment of hundreds of thousands of people. We are growing, and we are growing quickly, because not only do we have the resources here to develop but we have the right economic and political climate in which to develop them. Nobody wishes to invest his time or his money in something of which he can be deprived without warning. No one wishes to live in a country where his political freedom is constantly in danger.

In Canada neither of these conditions exists. We on this side of the house recognize the need for supervision and control. We realize that in essence all the resources of Canada belong to the people of Canada, and that these people must not be exploited. But we realize also that our resources are of no value unless they are developed, and that in order to develop them we must encourage enterprise and allow it to be rewarded by a profit.

Enterprise in this country recognizes its responsibility to the people. It seeks to provide employment for Canadians and to encourage them to develop their skills and increase their earnings. It endeavours to provide goods and services at reasonable prices, and it maintains strong competition in order to give the public an opportunity to pick and choose. We have on our markets many cars in many models, our banks compete strenuously for customers, and in men's and women's wear we stock our counters with a great variety of styles and colours.

There was a time when some people thought this enterprise system was wasteful. They thought it would be preferable to have only one company and one product in a line; then, they thought, costs would be lower and prices would be cheaper. Now, however, we know that competition leads to lower cost production methods, competition creates new markets, competition lowers prices. That is the fruit of enterprise. More goods of better quality at lower prices all come from our system of letting men freely and honestly seek to improve their products or their services. It has brought us unparalleled prosperity. It has provided work and opportunity for most of our citizens.

Because we are enterprising people, and because we believe in true enterprise that seeks to serve rather than exploit, we in Canada are envied by people in other parts of the globe. Many thousands of people have come here to live with us, and many more thousands will follow. Some of them come from countries where true enterprise has never existed, or where it has been stamped out by false theorists. Those who have lived where there is no enterprise know what it is to live without freedom. Under our blue skies, in this great expanse of territory, they will find rewards for hard work, for skill, for ingenuity, for perseverance and for courage. This is not an easy land in which to live. It is not a land for weaklings or for people who place security above all else.

Canada has been built upon struggle. We have had to fight against nature. We have been forced to work hard because we are next door to a rich and powerful neighbour. But we have established certain values that have paid us well. We have rich soil waiting to be worked. We have great mineral deposits waiting to be brought out of the rock. We have vast forests and fisheries waiting to be developed. There is room here for men and women with enterprise. They can and will make this country one of the most favoured lands on earth.

Now may I take just a few minutes to talk about the common-sense aspects of economics. Let us look at the situation on this continent and in the world today as it affects us as plain, ordinary, everyday citizens. In Canada today we are enjoying another spurt in what is the greatest boom in history. Everybody and his uncle today are buying motor cars. Almost every home you visit has a television set. Everywhere you look there are new homes under construction, and the furniture companies are just waiting to sell the new owners the furniture to go in them. All this means jobs, higher pay, more vacations and more spending, until it all goes round just like a circle.

The danger is, of course, that in our mad rush to buy new things we may forget some of the other values of life. When you are busy making the payments on a car it is sometimes hard to remember that nobody is calling on the family next door because they happen to belong to another race, have a different religion or speak a different language. Yet surely good neighbourliness is just as important as driving a motor car. Or is it? That is one of the things we should take time to think about, even if it means turning off the radio or the television set.

James Farley, the United States politician, recently pointed out that the United States, with all its prosperity, is losing some of its spiritual wealth. Like everybody else Farley enjoys the good things of life, but he thinks

one of the good things is good behaviour based upon faith and a sense of spiritual values. Perhaps we should all take time out to consider whether or not we are becoming so obsessed with material things that we are forgetting the basic values of our civilization. It sometimes seems strange today to suggest that man cannot live by bread alone. Some cynics laugh and say "No, he needs cake as well". But the truth is that it is spiritual food we need to supplement our bread, not richer material food.

I am not one of those who believe that the world is going to the dogs just because we all have more money to spend and more leisure time in which to spend it. No one, I think, would want to go back to the days of the hungry thirties when a man did not know where his next job was coming from. Prices are high today, but we have the money to pay them. Prices were low back in 1935, but very few people could afford to buy what they needed. The good old days sound wonderful to the old-timers, and sometimes we can even convince the younger generation that it was fun to live in the horse and carriage age, but the truth is that we all have a chance to live better lives today than our parents or our grandparents did 50 or 75 years ago.

Nobody has all the answers. But we can all seek some of them on our own. A United States magazine recently suggested that juvenile delinquency today is a result of our lack of discipline. We try to understand children instead of training them to do right. That is one editor's answer. James Farley says we should pay more attention to spiritual values, and no matter what church we go to or what faith we hold we should seek better understanding there.

Labour unions demand higher wages. Employers say if wages go up prices must rise, too. Consumers, and that includes both labour and employers, sit in the middle, caught either way. To the amateur in economics it is all very confusing. But sometimes the amateurs are smarter than the professionals. Why not have a discussion group in your own families and invite the neighbours in as well to discuss everyday problems? See what you think about these problems and reach your own conclusions. Are we too material? Think it over. You probably have the right answer yourself.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. M. Campbell (The Battlefords): Mr. Speaker, my first words will be of congratulation to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I might say, however, that I am not going to lay it on too thick, because I think there is a saturation point beyond which one must not go since there is always a danger of spoiling people by praising them too much.

Tonight I want to talk about the people in my constituency and the conditions in which they find themselves. I am going to make some criticisms but I am also going to offer some suggestions which, if followed, I think would benefit the people I represent. I travelled in my constituency during the recess and logged some 10,000 miles. I talked to a great number of people about their problems, and I think I know something about them. One of the last of my constituents whom I saw before coming to Ottawa was a man I met on the streets of Saskatoon. He said to me, "I hope you people down there will be able to do something to alleviate the conditions that we are experiencing at the present time." Tonight it is my purpose to try to do just that. I want to try to do something that will help the people whom I represent.

First of all may I say that I deplore the fact that some of the members in this chamber and at least one of the cabinet ministers have played down the real situation existing in the wheat-growing areas of western Canada. I have lived in that country for over 50 years. I homesteaded there and went through all the pioneering stages. Never since the hungry thirties, and not even then, have I seen a greater scarcity of money. The situation then was not much worse than it is at the present time. The whole plea of the population in that whole area is this: Try to get some money in the pockets of the farmers.

During this debate most of the talk has been centred around the farmers' need for cash and certainly their need is great, because their costs of operation have been going up steadily and their income has been going down rapidly. Not only have farmers come to me; never before have so many businessmen come to see me to ask if something could not be done to get money into the hands of the farmers.

The farmers are in this position. Last year they had a small crop of extremely poor quality, and they received little money for it. The result was that many of the merchants in the smaller towns advanced credit.

Those merchants are obliged to pay cash for the things which they sell on credit. Many of these merchants are in the position of not being able to meet their commitments and of not knowing how long they are going to be able to carry on. They are almost in a worse position than are the farmers because they have rent to pay, help to pay and so forth and so on. I therefore deprecate the fact that at least one cabinet minister has played down the situation there.

I may also say that I attended many meetings of farmers. Those meetings were attended not only by farmers but by businessmen, heads of boards of trade and so on. They all asked for one thing, namely that the government should make an advance payment to farmers for grain stored on the farm. I am not going to spend any time belabouring that point, because the government and this house has decided that that is not going to be done. But as I said before, I deplore the fact that at least one minister of the crown has played down the real situation that exists in that country.

I read now an extract from the *Globe and Mail* of January 24 reporting what happened when the Minister of Agriculture was speaking in the city of Winnipeg. According to the extract this is what he said:

> Agriculture Minister Gardiner said today that farmers are not as hard up "as some people would try to have us believe."

I think the minister is playing down the actual situation. I am going to say this. If there were an election tomorrow, neither the Minister of Agriculture nor any other Liberal would be back here from Saskatchewan. I have never seen the people as angry as they are now over the lack of action on the part of this government in the present situation. They are angry at the government and I am quite sure they are going to be angry at some of their own members—that is the Liberal members from the western provinces —for not standing up in this house and at least making an attempt to get a better deal for their people.

I was quite interested in some items that have appeared in the press, particularly one editorial that appeared in the Winnipeg *Free Press*. Everybody knows that the Winnipeg *Free Press* has been a supporter of this government. It is known as a Liberal newspaper. This is what they have to say about the hon. member for Rosthern (Mr. Tucker). This editorial is dated January 23, 1956 and reads as follows:

> The constituency of Rosthern in Saskatchewan should consider itself well served. It has two House of Commons members. Official lists, it is true, show only Mr. Walter Tucker as the member. But lists are poor things. They cannot show that there is a western Mr. Tucker and there is also an eastern Mr. Tucker, quite distinct.

On the afternoon of October 17 the executive of the Liberal association met, 50 strong, in Rosthern. That evening the western Mr. Tucker wired Prime Minister St. Laurent and Trade Minister Howe and, on behalf of the meeting, pressed for cash advances on farm stored grain.

But the air of Ottawa has caused a strange metamorphosis; and on January 17 the eastern Tucker rose in the House of Commons and repudiated the western Tucker. The eastern Tucker was not only against cash advances on farm stored grain. More than that: he charged that the C.C.F. party, by its advocacy of cash advances on such grains, was attempting to wreck the Canadian wheat board.

The implications of the eastern Tucker's charges are obvious; they charge the western Tucker with attempting to wreck the Canadian wheat board; for the western Tucker also advocated these cash advances.

The eastern Tucker was, of course, simply parroting Mr. Howe. But he seems to be stepping beyond the line of duty, or even the requirements of expediency, when he carries Mr. Howe's theory of guilt by association even farther than Mr. Howe did. It may be tempting to a Saskatchewan politician to feel that anything is good enough to throw at the C.C.F. But it is, apart from anything else, poor politics.

The charge that the C.C.F. is against the wheat board simply will not stick. And while Mr. Howe was wise enough to refrain from so direct an attack on the C.C.F., he was also kind enough to refrain from listing the Liberal Association of Rosthern, and the western Tucker as its spokesman, among the enemies of the wheat board. It really was rather cruel of the eastern Tucker to step in and do it himself.

That statement was printed prior to a report that was made by Mr. Arthur Blakely of the Montreal *Gazette* on January 20, with respect to a meeting that was held by the Liberal party the evening before. This report reads as follows:

> The big Liberal party dinner honouring trade minister C. D. Howe and agriculture minister James G. Gardiner on the completion of 20 years of continuous service in the federal cabinet, turned out to be quite an affair. As a matter of fact, it still has the Liberal back benches buzzing.

I am going to leave out part of this statement and start in again where it is headed "Leadership Assured". Leadership was what they had been discussing.

> The matter of leadership out of the way, the two honoured right honourables selected another text. At all costs, they advised Liberal backbenchers, toe the party line.
>
> Mr. Howe was emphatic on this point. Ruggedly individualistic courses of action, by individual Liberals, could bring on trouble. And plenty of it. And in that way the existing Liberal majority—however large it might appear—could be wiped out.
>
> Superb leadership had long been a Liberal asset. And when the Prime Minister had decided on a given course of action, that should be accepted as the proper policy by all true Liberals, whether they agreed with it or not. Decisions by the leadership were taken only with the greatest of care. And they could be disregarded only at the cost of inviting political disaster.
>
> "We must pay a good deal of attention to the party line," Mr. Howe warned. "If the party is wrong, you are going to be defeated anyway. We stand or fall together."

Once this party line was laid down "I don't care whether you are a member of the House of Commons or the Senate, that line should be adhered to."

Later, in another section headed "Party Loyalty", we find this:

Mr. Gardiner, who has had his wayward moments on such issues as the $65 million payment to the wheat farmers and the south Saskatchewan dam project, added his plea.

"When the majority of the Liberal party agrees that a thing should be done, I'm going to work to see that it is done."

And he submitted, for consideration of the faithful, something in the way of an object lesson.

Years ago, when Mackenzie King had been prime minister the government accepted a decision which he had strongly opposed. In the commons, when the matter came under debate, Mr. King asked him to speak in support of the measure.

He did so. And with such effect that as he was leaving the house, a colleague stopped him offered his congratulations and said with admiration, what would you have sounded like had you really believed in what you were saying?

I take it from that, Mr. Speaker, that whenever the Minister of Agriculture speaks now we will not know whether or not he believes in what he is saying.

Last fall I attended a meeting of farmers. At the end of the meeting a farmer asked me this question. Is it true that there is a great deal of empty elevator space in the city of Saskatoon? He said he was talking to a man who worked there and he told him there was a lot of space in the elevator. My answer was that I could not conceive that there would be any elevator space in any terminal elevator in Canada at this time, because I thought the Minister of Trade and Commerce was too good a businessman to allow space to be empty when it was needed so badly, and when the farmers needed the money so badly.

I did not think very much more about my answer to that question until some time in November, when I picked up a copy of the Edmonton *Journal* in which there was a report of a meeting attended by the Minister of Trade and Commerce in the city of Edmonton. I do not remember the exact figures, but the report was to the effect that there was a considerable amount of storage space available both at Vancouver and at the lakehead. On January 20, 1956, I asked this question of the Minister of Trade and Commerce, as reported at page 347 of *Hansard*:

Would the minister present the latest figures concerning the amount of empty space now available in terminal elevators?

I might say that the hon. member for Prince Albert (Mr. Diefenbaker) had stated in the course of his address that there was space available in the elevators for something like 100 million bushels. The Prime Minister (Mr. St. Laurent) interjected at that time and said, "No, the amount would not be much over half of that". When I got the answer to the question I found that the interior elevators had space available for 700,000 bushels of wheat; the Pacific coast terminals at Vancouver and New Westminster had space for 8,200,000 bushels; Victoria, 400,000 bushels; Prince Rupert 700,000 bushels; and Churchill 600,000 bushels.

I am not going to say anything about the eastern terminals because the minister pointed out that as the lakes were frozen we could expect to have quite a lot of space available there. I find, however, that the space available in western elevators amounted to 44,700,000 bushels. Well, there is something wrong there. There must be a nigger in the woodpile somewhere. Who is responsible? I have always believed that the responsibility lay with the transport controller. In the debate a few days ago we were given to understand that the railroads were making the adjustments and saying where the railroad cars were going to go. This is a serious situation.

I shall refer to only the effective amount of storage, because as the minister said the other day they want to keep 10 per cent of the space available in case a certain amount of the grain has to be dried or something like that. The effective storage space available now is 44,700,000 bushels. One of the suggestions I am going to make is this. We should get the transport controller to work. We should make that name plate on his door worth something. We should see that cars are made available so this space in the terminal elevators could be filled. I believe the transport controller should be given orders to get this done and get it done quickly. If it were done, and done rapidly, we could then distribute to the farmers $53,640,000—without any cost to the government and without making any loans. I am going to prophesy right here that this is a far greater amount of money than will be borrowed by the farmers under the loan scheme.

I want an answer to these questions, and I hope some minister will give that answer. The Minister of Agriculture has not spoken as yet. I am sure the farmers of this country and the members of this parliament will want to know why this space has not been filled. Have the railroads been going on their own without any direction? Is it because the Crowsnest rates are low? Speaking in Montreal a few days ago the presidents of both railways objected to the Crowsnest pass rates. They claimed that those rates were only one-third of the rates they were getting

on some other products. Are the railways passing up the hauling of wheat because they can make more money on other products? If that is the case it is time the controller stepped in and saw to it that the farmers in western Canada got their fair share of box cars.

Are we short of box cars? The other day the Minister of Trade and Commerce said some new box cars were going to be made available soon. We have had this trouble in other years, and the transport controller was appointed to do just what he should have been doing during these past months. We had trouble when the lake boats were hauling iron ore and passing up the hauling of wheat. If the government sees to it that the transport controller goes to work and makes cars available to fill this space, then this $50 or $60 million can be paid to the farmers as soon as that grain is delivered. It is a pity it could not have been done before, because the farmers in western Canada are running up against another problem, something that is new.

Our crises follow each other in succession year after year. We have never experienced this crisis before, though I remember one winter in 1906-07 when we had a tremendous amount of snow. Today the roads in western Canada are blocked with snow. There is so much snow it is almost impossible to clear it. I have been getting letters and I have been reading in the papers about farmers trying to get into town by means of teams of horses. They have not many horses, and the horses they have cannot work because they have not done any work for two or three years. It is going to be almost impossible for many farmers to deliver much grain, even if box cars are made available, unless the government accepts the suggestion I am now going to make.

About the only farmers who are going to be able to deliver grain are those living on built-up highways which are snowplowed. The back concession roads cannot be opened and probably will not be opened until May. I suggest that the farmers who live in the back concessions be allowed to exchange wheat with the farmers who live on the built-up roads, so the farmers in the back concessions can get some money out of the little quota that is to be made available, I do not know when.

My other suggestion is this. To put a little more money in the pockets of the farmers, enough to keep them going, the government should make an interim payment on the 1954-55 crop, and make it soon. These are my suggestions.

[Mr. Campbell.]

I now wish to say something about the wheat surplus. Since a lot has been said about this surplus I am not going to repeat what has been said up to now, but my attention has been drawn to an editorial that appeared in the *Western Producer* of December 1, 1955. It is a long editorial, and of course I cannot put it all on *Hansard*. It deals with FAO and what FAO was set up for. The Minister of Agriculture should tell this house why FAO has failed and why something has not been done along the lines of the great plans that the people who set up FAO had for the handling of surpluses.

As I said, I am not going to read the whole editorial because it is too long, but I am going to read a short extract from what President Eisenhower had to say about surpluses a year after he took office. The editorial reads:

> Here is President Eisenhower speaking after a year in office and declaring a new kind of total war:
>
> ". . . total war, not upon any human enemy, but upon the brute forces of poverty and need. The peace we seek, founded upon decent trust and co-operative effort amongst nations, can be fortified—not by weapons of war, but by wheat and cotton, by milk and wool, by meat, by timber and by rice. These are words that translate into every language of the globe."
>
> What an exhilarating prospect but what a bleak realization with Mr. Benson today wringing his hands over unsaleable surpluses and calling for sharp cuts in production!
>
> More recently there was Sir Anthony Eden to this effect:
>
> "We all know what unparalleled resources the scientific and technical advances of the age have placed within our reach. We have only to stretch out our hand and the human race can enter an era of prosperity, such as has never been seen."
>
> The other day the foreign office called Bulganin hypocritical. What would be the appropriate term for Sir Anthony who dares talk about "only stretching out the hand" well aware that "the hungry sheep look up and are not fed."
>
> One could quote interminably in this vein from the great and near-great of the world, but we must content ourselves with only another from Lord Boyd-Orr, first FAO chairman. A few months ago he complained of international conferences "talking about isms instead of about food and food production where they would know what they were talking about." In the same speech he said:
>
> "In a world where two-thirds of the people are hungry, there is no world food surplus. If the plans which FAO put forward in 1946 had been carried through, there would have been a big world reserve of food, with a big fund behind it, and in the countries where there was a surplus, that would have been bought and the farmers would have got the money and the food would have been sold to the countries that were hungry."

I come to another matter I wish to discuss, namely air mail service to the town of Lloydminster in Saskatchewan. When the former minister of finance, Mr. Abbott, introduced

this legislation he made a definite commitment to this house. He was talking about the increase in the postal rates on first-class mail. He said:

> When the new rates come into effect all first-class mail will be carried by air if air carriage will speed up delivery. Canada already has the most advanced air mail service of any country in the world and this service will be further improved.

This quotation may be found in *Hansard* of Tuesday, December 8, 1953, at page 691.

The chamber of commerce of the town of Lloydminster, the board of trade of North Battleford, and the provincial board of trade have all passed resolutions and have all written the government and the Post Office Department asking that this mail service be made available to the people in that community. The town of Lloydminster is situated on the border between the provinces of Alberta and Saskatchewan. It was first settled by the Barr colony. It is also the centre of the first oil development in Saskatchewan.

I have not time to go into all the resolutions that were passed by these different organizations. I ask the government and the Postmaster General to see to it that the commitment that was made by Mr. Abbott when he was minister of finance is carried out, and that the benefits which can be derived by the carriage of mail by air be extended to that district.

There is another matter I might have brought up when I was discussing the wheat problem, namely inland storage. The board of trade of North Battleford and many farmers' organizations in that area have been requesting the government for years to do something about an interior elevator at that point. They have sent in resolution after resolution. I saw the Minister of Trade and Commerce about this matter several years ago. We think the time has now come when the Minister of Trade and Commerce should take a different look at this situation. Because the city of North Battleford is centrally located, wheat can be shipped to the port of Churchill in Hudson bay; it can be shipped to the west coast, or to the great lakes. I urge the Minister of Trade and Commerce to take another look at the suggestion and see if it would be possible to give us inland storage, which is needed so badly at that point.

I am going to make another suggestion to the Minister of Agriculture. I see he is just leaving the house. Perhaps he will sit down for a few minutes, because I will not take up very much more time.

Mr. Gardiner: I am glad the hon. member thinks it is still necessary for me to be here.

Mr. Campbell: We have heard a lot about diversification. At this time many of our farmers are wondering what would be the best course to take and where they can diversify their farm production. The Minister of Agriculture and his department should give more leadership than they are giving along those lines. I know of certain farmers who grew a considerable amount of rape last year. How many more acres of land can be put into rape? How many more cattle can be produced? How many hogs should we produce next year? How much land should be put down to grass, and so on and so forth?

I think the Minister of Agriculture (Mr. Gardiner) and his department should give a lead. I heard Professor Ramsay speaking in Saskatoon a few days before I came here. He urged that the farmers go in for more cattle. He pointed out that in the past we had shipped more than 400,000 head of cattle to the United States in one year. The minister and his department are in a better position than anyone else to give leadership as to how much diversification there should be and what changes should be made. I would ask that he endeavour to do something between now and the spring, and that he give an indication to the farmers concerning the possibility of changing to other products, how much they might produce and how much they could expect to market in the future.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, may I have the pleasure of joining with those who have preceded me in extending congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. May I also say I believe they have honourably discharged their responsibility, which in itself was an honour to them and to their constituencies.

Last session when I spoke in this debate I gave a description of the riding of Humber-St. George's-St. Barbe, which is the riding I have the honour to represent. I do not propose to repeat that now, but there is one point I should like to mention. The industrial town of Corner Brook is situated at the mouth of the Humber river, at the bottom of Humber arm, 30 miles inland from the sea along the south shore of bay of Islands. In 1923 the settlement of Corner Brook consisted of just a few families who depended for their prosperity on the operation of a small lumbering industry. In that year the government of the day decided to build a paper mill on this site. Since that time it has grown to become the largest integrated pulp and paper mill in the world. It has a daily production of over 1,200 tons and at peak periods employs 10,000 people in the plant and the wood areas. Just to the east of Corner Brook is

an area known as Corner Brook East, which is perhaps more familiarly known by Newfoundlanders as Humbermouth. This area for many years depended for its prosperity on the fact that it was a terminal for the Newfoundland railway. It still is a railway terminal for the C.N.R.

Just to the west of Corner Brook is an area known as Corner Brook West which grew up because of the operation of the paper mill there. Still further west is an area known as Curling, a very old and well established settlement. Heretofore these four townships were governed by separate town councils. Last spring a plebiscite was held and the people of the four areas voted to amalgamate and form one unit. In August of last year an election was held and a mayor and eight councillors were elected. On January 1 of this year, just about three weeks ago, these four townships were officially incorporated into the new city of Corner Brook, which is the second largest city in Newfoundland and the twenty-eighth in Canada.

The year 1955 was a prosperous year for Newfoundland. In fact I think I am able to say that it was the most prosperous year in the entire history of Newfoundland. In those industries which brought prosperity to Newfoundland there was one exception, the fishing industry. The total landings of ground fish in 1955 amounted to 545 million pounds, with a value of $13·2 million. This was a decrease of 62·4 million pounds or $1·5 million from the year 1954. The herring industry, which is particularly important in my area, also experienced a decrease in 1955. This decrease amounted to approximately 2 million pounds compared to the catch of 1954. On the other hand the lobster industry, which is also extremely important in my area, had an excellent year; 5·3 million pounds for the whole of Newfoundland were landed, with a value of $1·4 million. It is interesting to note here that since the year 1930 the lobster industry in Newfoundland has shown a continuous increase year after year. The year 1955 produced the highest catch of all the years since 1930. This increase has not been due solely to an increased number of fishermen engaged in that branch of the fishing industry, but is also due to the fact that regulations governing the lobster fishing industry were rigidly enforced, and it is also due to the co-operation of the fishermen themselves.

We all recognize that the provincial government in Newfoundland and the fishing industry itself are giving very serious consideration to what should be done to improve the status of those men who are engaged in that industry, but while I say that fishing is generally a provincial matter there is also a national aspect to that industry. In that respect I believe the federal government can do much to help in the work that is going on in Newfoundland to improve the lot of the fishermen, and I should like to make three suggestions.

I would suggest first—and this relates to my own riding in particular—that the federal Department of Fisheries make a complete survey of the fishing potential on the west coast of Newfoundland so the different types of fish, the quantity of fish and where the different types can be found will be known by those people who might be inclined to invest money in the fishing industry. In that way the government would be giving some guidance to those people who might invest money in the industry as is done, for example, for those who might invest money in mining.

Second, I would urge the Department of Fisheries to establish more bait depots along the coast, particularly in my own riding. We need bait depots for the operation of the industry. Some people ask why there is so much talk at this time about bait depots in Newfoundland when years ago the fishing industry was operating without the use of bait depots.

The answer, of course, is very simple. In the first place, in Newfoundland we do not now get the same adequate supplies of bait at the right time of year and in the right place that we used to get years ago. Second, if we are going to improve the lot of the fishermen it is necessary that they go to work earlier in the year and that they remain at their task until later in the year. In Newfoundland we are not able to secure sufficient fresh bait early in the year, nor are we able to secure sufficient fresh bait later on in the year to keep our men working long enough to increase their production sufficiently to give them a good return for their work. In the lobster industry in particular if fresh bait is not available at the time the lobster fishing begins, then the lobster fishermen are seriously handicapped.

The establishment of bait depots would be of vast assistance to them. In my area there is but one bait depot, at Port aux Choix, which was built three or four years ago. If the federal Department of Fisheries intended this to be an experiment I can assure the department that it has been highly successful; and in the light of what has been done in that area and from my own experience I know that the catch in that area has been more than doubled because of that bait depot. I suggest that bait depots be built at strategic points along this coast, and I would suggest

such points as Lark Harbour, Bonne Bay, Cow Head and Reefs Harbour.

My third suggestion does not apply to my own riding or province alone but to all parts of Canada where the fishing industry is prosecuted. I refer to unemployment insurance for fishermen. I believe that if unemployment insurance were extended to the fishermen of Canada it would do much to encourage them to carry on in the industry in which they make their living. Last year when the unemployment insurance commission presented its report to the committee we all noticed that it was a negative report. Maybe there were some who felt that a more positive approach would have been more acceptable, but on reflection I am not too sure that a negative approach is wrong. At least it does point out the obstacles which have to be overcome if we are to have fishermen included among those who are considered to be insurable.

These are the three suggestions I would make; first, a full-fledged survey of the fishing potential of the west coast of Newfoundland; second, the establishment of more bait depots, and third, the inclusion of fishermen in the unemployment insurance scheme.

I turn now to the problem of transportation in Newfoundland, and may I say that this has always been a big problem for us in the island province. For many years the only method of trans-insular transportation was by the Newfoundland railway. Although this railroad is of narrow gauge it has given real service to our island since the project was first discussed in 1847 and brought to practical reality by the railway bill of 1881. There has been a steady improvement in the services and facilities since the first cross-country train left St. John's on July 24, 1898. We can trace its growth from the days when it was known as the Reid Newfoundland railway to the time it was operated as a state concern giving yeoman service during world war II, until finally it became a part of the Canadian National Railways in 1949.

Since confederation there has been a tremendous increase in the amount of traffic with which the Canadian National Railways in Newfoundland has had to cope. In 1955 carloadings were up 13 per cent over 1954. From 1949 to 1954 freight coming into Newfoundland from Nova Scotia was up 65 per cent; in the same period local freight was up 28 per cent; passenger traffic had increased by 17 per cent; express by 50 per cent, and the mail traffic had doubled.

A real effort has been made by the C.N.R. to cope with the problem of increasing traffic. The completion of the dieselization of the Newfoundland district, together with the increase in rolling stock, will do much to increase efficiency on the C.N.R. in Newfoundland. In addition I would suggest that the plans for the immediate future include the improvement of terminal facilities at Deer Lake, Corner Brook and the Stephenville area so as to provide a service more compatible with the growing needs of these expanding communities.

I recognize that a proportion of C.N.R. operations in Newfoundland have to do with the coastal steamship service. The problem here has been accentuated by a serious decrease in the number of vessels engaged in the local trade. If I may digress here for a moment I should like to support my colleague, the hon. member for Burin-Burgeo (Mr. Carter), in the plea he made here the other evening for an amendment to the Canada Shipping Act so the annual inspection regulations which now apply to all vessels over 150 tons will apply only to vessels over 250 tons. Coming back again to the C.N.R., I believe that some of the problems with which they are now faced will be solved at least in part when the two new ships now under construction in the United Kingdom are put into service.

During the recess as I went around my riding I was happy to hear from time to time of the good work being done by the Secretary of State for External Affairs and the Minister of National Health and Welfare. May I as a backbencher commend them for the stature which they have given to Canada in the councils of the world. They have discharged their responsibilities with credit to Canada and distinction to themselves.

I think it is true that we live in a world fraught with danger. I remember that a few years ago, before the atomic bomb became a reality, in certain circles there was some doubt as to what would happen if the atom were ever split. Some wondered if there would not be a chain reaction which would destroy the whole universe. Today we know that such a result is improbable, but I do not think that in the world in which we live today we are entirely out of the woods. The presence of the atomic and hydrogen bombs may, under certain conditions, initiate within the minds of men a chain reaction which may produce exactly the same effect.

I was pleased to note that in the speech from the throne mention was made of Canada's continued and further participation in the Colombo plan. In the awakening of nationalism in the countries of Asia there must of necessity be the growth of a desire

on the part of the peoples concerned to improve their standards of living and take their places among the peoples of the world. The decision on the part of western countries to help them achieve that aim will have a real impact upon these countries, and we sincerely hope will be a stroke for the advancement of world peace.

During wartime the democratic nations of the world spent billions of dollars to ensure that man might swim through the sea like a fish. The democratic nations spent billions to ensure that man would fly through the air like a bird, and I think it is a great thing in peacetime that the free nations of the world can afford to spend a little in an attempt to ensure that free men will walk the earth as men.

Miss Margaret Aitken (York-Humber): Mr. Speaker, it was not my intention to take part in the throne speech debate, but when I returned to Toronto this week end I received many messages, telephone calls and letters asking that I raise my voice in parliament on behalf of what could only be described as an aroused citizenry. The number of sex crimes which are taking place in and around Toronto and throughout the country have alarmed people right across the country. I know the Minister of Justice must feel sympathetic and appreciate the fear that parents have, and I know that all hon. members of this house must feel horror and revulsion on reading of these crimes which are increasing week by week.

Mr. Speaker, through you I do beseech the Minister of Justice to give leadership in this matter. As things stand now the people, and I am speaking particularly of Toronto, are far ahead of the government in their concern and fear, and in their determination that something must be done immediately. On Monday afternoon in Toronto a 13-year old girl, the victim of a sex maniac, was buried. A little more than a week ago in London a five-year old child, the victim of a sex maniac, was buried. In Hamilton eight women have been assaulted in as many weeks. After each of these crimes we read in the newspapers that the police have rounded up 300 or 400 known sex degenerates for questioning. Surely our laws are wrong, Mr. Speaker, when they allow 300 to 400 known suspects to roam the streets. Surely our laws are wrong when innocent little girls are the prey of these known maniacs.

We have been warned by medical men and psychiatrists that sex offenders are not responsible. You punish them but they strike again and again. Our magistrates and our judges are not doctors or psychiatrists, and in our courts minor offenders of this nature are not recognized when they first appear in court. The result is that such afflicted people are not sent for the necessary treatment at a time when future crimes might be prevented. The permanent solution of this problem, it seems to me, rests with the government and the government alone. There must be a revision of our Criminal Code to provide for the holding of offenders or even suspects indefinitely, whether they be held in prison for crimes they have committed or whether they be held for psychiatric treatment.

Mr. Garson: Mr. Speaker, I am sure my hon. friend would not attempt to misrepresent the law that she helped to pass. There is provision in the code at the present time to hold them indefinitely, and all that is required is that action be taken by the law enforcement authorities in the various provincial centres to that end.

Miss Aitken: Again I say that the law is not being enforced.

Mrs. Shipley: That is provincial.

Miss Aitken: From the large number of people who have appealed to me, both as a member of the house and as a journalist, I know the public feel that the law is not being enforced. What can be done about it I do not know, but these people blame the government for the situation.

Mr. Garson: Certainly we cannot enforce it. It is not our responsibility.

An hon. Member: Well, take some responsibility and do something about it.

Miss Aitken: In St. Catharines the other day a man committed an offence against two little girls and was taken to court. He pleaded guilty, but he claimed that he was drunk when he committed the offence. Press reports said that he was extremely embarrassed and contrite, but to be embarrassed and contrite was no comfort to the parents of those little girls or to the little girls themselves. However, it seemed to be some comfort to the judge, because he gave the man a suspended sentence of two years. If the man had stolen a motor rug from a parked car he would have received a greater sentence. I claim that the magistrate in giving that sentence was simply adding another young man to the 300 or 400 known persons suspected of sex deviation; yet the man's only defence was that he was drunk at the time.

Is it any wonder that citizens are aroused? Under the Criminal Code the maximum penalty for rape is life imprisonment. Yet last September here in Ottawa a man who had committed rape was given 10 years. Under our Criminal Code indecent assault calls for a

maximum penalty of five years. Yet in Toronto within the past few months a youth of 19 assaulted a nine-year-old girl and was given nine months.

I know that a royal commission under Chief Justice McRuer is engaged at the present time in studying aspects of this terrible problem and, as I understand it, the report is to be forthcoming within the next few months. But, Mr. Speaker—and again I am speaking not only for my own constituents but for many thousands of parents in Toronto—we cannot wait for that academic and careful study while these murders are taking place.

In Toronto an organization was formed some time ago called the parents' action league. Its purpose is not to study the problem but to take action, to go on the offensive against this scourge of our society. Like all modern societies it is becoming known by its initials and is referred to as PAL. The parents' action league is urging that magistrates send sex offenders or even suspects to hospitals for psychiatric study. The provincial government of Ontario is trying to co-operate within the confines of its authority. Offenders are to be segregated at Guelph reformatory and an extension of psychiatric facilities is to be carried out in all Ontario hospitals.

The parents' action league now represents about 70 organizations. Indeed, I think you can say it represents three million people in the province of Ontario. But it is not the parents' action league or any other citizens' group that can give leadership in solving this problem. We the people are calling on the Minister of Justice, who tells us that the code is there, to take action. It is the setting up of psychiatric institutions that is needed. It is a cure, a preventative that is needed, and I feel that is the responsibility of the dominion government.

Even before the royal commission finishes its deliberations it is essential to take known sex degenerates out of circulation. At the funeral of little five-year-old Susan Cadieux of London, who was assaulted and murdered, Father O'Rourke had this to say:

> Degenerates like mad dogs are allowed to roam our streets at will.

In the press report of that tragic funeral there was one sentence that caught my eye, and it was this:

> In that assemblage of people the shame and degradation of one man rests on all men.

Through you, Mr. Speaker, I do beseech the Minister of Justice to give us the leadership in solving this problem for which people are asking. Throughout our society fear and horror run rampant while we wait for the government to assume its responsibility and take action.

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I am happy to extend the traditional congratulations to the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne, and more particularly to the hon. member for Timiskaming because she is something in the nature of a trail blazer and very possibly the honour accorded to her now may be the augury of greater things to come in the legislative councils of the country.

In this debate many hon. members have complained of the paucity of information contained in the speech from the throne and the legislative program of the government. I think, however, this is probably understandable, because if the government does not intend to submit legislation to parliament but rather intends to deal with matters by the more expeditious method of order in council, why bother announcing legislation in the speech from the throne?

As usually happens in debates of this type, the more interesting points are often raised in speeches from the opposition side of the house. I was particularly interested in the speech of the hon. member for Rosetown-Biggar, who chose to complain of the influx of United States capital in the development of the resources of this country. I do not happen to share his alarm in this respect, because I believe that capital is essential for the development of the country. If a foreign nation chooses to put its capital into our country, I believe we should welcome it.

Mr. Studer: Saskatchewan goes begging for it.

Mr. Trainor: I also note that in a recent address Mr. Muir, the president of the Royal Bank of Canada, stated that while in the occasional field this type of investment was excessive, on the whole he did not think it was nearly as bad as many people thought it was. I therefore do not think it is a subject that should give us too much concern. As a matter of fact we ought to welcome it, because we want to see our resources developed and we want to see our country grow. It certainly cannot grow without financial resources.

I also noted that the hon. member for Yorkton was greatly concerned about three large soap companies and bemoaned the fact that Canadians were unable to participate in these organizations. For his information I may say that all three companies have their securities listed on the New York stock exchange, and they are available to him by the simple expedient of going down to his bank and placing an order. He can become a partner in any of these organizations and

can participate in the enormous profits that he appears to think are available there.

All this stuff is typical of the sniping at private business that is indulged in by the socialists and, I may say, by the Liberal socialists of whom there appear to be more than a few in the present government. This is merely a manifestation of the operation of the free market. There is no greater guarantee of freedom, economic and political, than that which exists through the operation of the free market. When a man buys something on the free market he is, in effect, casting his vote as a citizen in a free economy. True, his vote may be outweighted by other votes, but the sum total of those votes will determine the economic outlook of the people. There does not seem to be any possibility of achieving such economic freedom under any other system. I know that the socialists argue in favour of what I think they call the controlled economy. Is that the expression they use?

Mr. Knowles: The monopolistic system is what we have.

Mr. Trainor: You would substitute the controlled economy. Is not that the expression you use?

Mr. Herridge: Control by the many instead of by the few.

Mr. Trainor: All right. Let us take the controlled economy as an example. How would it work? I submit that it would be impossible to have political freedom under such a system because such a system would mean that the government would operate all business enterprises and all features of the economy. How would it be possible to hold democratic elections under such a system? I think it would be impossible to hold democratic elections. One would be obliged to resort to elections in the Russian style, with one party and one slate of candidates.

It is no accident that the Russians resort to this system. It is simply the result of a controlled economy. You might just as well explode a bomb under the economy as hold an election under those circumstances. You cannot take the directing heads of a business out of their chairs whenever you feel like it without producing a drastic effect on the operation of the business. The holding of an election would simply be taking the directors out of their directing chairs. The socialists and the Liberal socialists are merely trying to bribe the citizens of the country to relinquish their freedom as the price of so-called security. In other words the choice is between liberty and a mess of security pottage.

As a member representing a western constituency I would feel somewhat remiss in my duty if I omitted all reference to wheat. It is not that I know much about wheat, but I hear a good deal about it and about its effect on the economy of western Canada. To my mind there are two separate and distinct problems involved in the wheat situation. The one is immediate. It is the problem of relieving the crisis that exists in the western economy. Judging from the debates here there seems to be only one logical way of achieving this end, namely by putting money in the pockets of the farmers, which money in turn will permeate the whole economy. It seems that the simplest and easiest way of achieving this end is to grant advances on farm-stored grain. The government have introduced substitute measures providing loans at 5 per cent and the payment of storage charges. These provisions seem to be inadequate; at least they are so interpreted by the farmers.

Mr. Gardiner: I thought the hon. member was in favour of private industry?

Mr. Trainor: This is an emergency problem.

Mr. Gardiner: You want the government to get into this.

Mr. Trainor: This is a fire, a conflagration that is burning in the economy. You must do something about it. I say it is an immediate problem. I do not suggest that procedure as a permanent practice because I do not believe that even the western farmer would wish to the supported in perpetuity on the charity of the Canadian taxpayer. A different solution must be found for the long-term problem, but the immediate problem must be met in this way because the situation has gone too far. It is the moral responsibility of this government to do it.

After all, they said in effect to the western farmer, "We will buy your wheat and we will dispose of it. It is definitely illegal for you to dispose of it in any way except through us." If there is not a moral obligation implicit in that statement, I do not know what a moral obligation is. Therefore I say that the immediate obligation is the payment of advances on farm-stored grain. If there is any member from a western rural riding, a grain-growing riding, who wishes to dispute that I would challenge him to appear on the public platform in his constituency and say that he did not believe advances on farm-stored grain was the correct solution, but that the government plan of 5 per cent loans was right. He should take heed, however, of the experience of the Minister of Justice in this regard. He tried it.

Mr. Gardiner: I tried it in my constituency in two or three places.

Mr. Trainor: I do not know what your experience was, but I do know what the experience of the Minister of Justice was. The press reports state that his suggestion was greeted by hoots of derision. If other members chose to do that they would probably receive a similar response.

However, that is only the immediate question. There is the whole question of agricultural marketing which seems to bedevil this country, and has done so for some years. So far as we can see it is probably going to continue to do so. There has to be some constructive solution found for this difficulty. I would make a simple suggestion to the Prime Minister. We have heard a good deal of special pleading and a number of exparte solutions presented here. One does not always like to depend upon amateurs for a solution to this type of problem. I believe this problem demands the best brains we have in the country; therefore I suggest that the Prime Minister set up a royal commission to solve the marketing problems of this country, not only with regard to wheat but for agricultural products as a whole. Possibly such a commission might come forward with a solution. If not, they would at least have amassed all the evidence and there would be a basis for an intelligent discussion of the subject. I offer this solution very humbly as something of which the Prime Minister might take note.

Finally, Mr. Speaker, I should like to call attention to what I think is an extraordinary departure in the field of diplomatic procedure. I refer to a current periodical, to wit *Look*, in which appears an article by the Secretary of State for External Affairs (Mr. Pearson) presuming to lecture the United States administration about the deficiencies of their foreign policy. I am not prepared to criticize the Secretary of State for External Affairs. Perhaps this is the new diplomacy. If so, I would suggest that he let us have a very good look at it, because to my mind it has implications that go far beyond the simple presentation of a point of view. This procedure would probably be all right if you could hold it to a one-way street, but you cannot very well indulge in such opinion presentation without conceding the other fellow the right to do likewise.

We may have an exchange of diplomatic opinion carried out through the periodical press. I would hesitate to peruse our periodical press if I were to find that Mr. Dulles had been belabouring the conduct of foreign affairs in this country. I do not feel it would be quite proper; it would be an offence against propriety. As a matter of fact this practice is rather insidious, because we do not know where it might end. It could even end up that we might have interference in domestic fields as well as foreign affairs. We might have the Secretary of State for External Affairs, the Minister of Trade and Commerce, or even the Prime Minister appearing on the hustings in the United States in defence of the Democratic party. I have no doubt they would be very welcome.

On the other hand, we would have to expect the reverse of that. We might be faced with having Dean Acheson, Mr. Truman and others of the Democratic party up here trying to hold the fort for the weakening Liberal party.

Mr. Knowles: Mr. Dulles would be on your side.

Mr. Trainor: Oh, no, he is not. As a matter of fact, we might possibly muster some support for our side, and perhaps the socialists could find a few men who would talk for them. However, I would suggest that this seems to be somewhat of an offence against propriety. I do not believe such diplomatic exchange has been recognized before. It may be that the Secretary of State for External Affairs has discovered a new *modus operandi*, shall we say? Perhaps the whole pattern of diplomatic exchange is going to change. However, I can see implications that are not altogether palatable, and I do not believe they would be palatable to many in the country.

Now, Mr. Speaker, one of the gravest situations with which we are faced in this country today is unquestionably our agricultural situation. I do trust that the Prime Minister will take note of all the contributions to this debate, because if he does I cannot see any reason to expect that he will not take constructive action to relieve the situation.

(Translation):

Mr. Arthur Masse (Kamouraska): Mr. Speaker, may I offer my congratulations to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply who, on this occasion, have shown us why their electors have honoured them with their confidence.

The remarks I propose to make will express the feelings shared by my constituents.

I shall first review the developments of the past year, briefly comment on the legislation forecast in the speech from the throne and inform you of the projects dear to the electors of the constituency of Kamouraska. The subject matter of my speech will therefore be as follows: the past, the present and the constituency of Kamouraska, for which I have great admiration, like Mr. Arthur Buies, who wrote such interesting chronicles about that community.

Each session, since I have the privilege of sitting in this house, I have heard nothing

but complaints and lamentations from my hon. friends opposite. Yet, we have had a by-election in Quebec, in a riding quite close to mine, and the people of Temiscouata, who are close friends of the citizens of the constituency of Kamouraska, did not hesitate to renew their confidence in the Liberal party.

Mr. Dufresne: They have felt quite disappointed since.

Mr. Masse: If the hon. member for Quebec West (Mr. Dufresne) spoke at the time as he did in the house this afternoon, I am not at all surprised with the result.

I went into that constituency not to make promises but to tell the people I am convinced that the Liberal party was doing its best to maintain unity in this country and to ensure the proper balance of our national economy.

As a son of a farming family, whose members have been living for generations on the family farm, I like to keep myself abreast of the development of my district, while at the same time keeping informed about what is happening outside.

In order to answer the arguments of those who claim that everything is amiss in this country, I should like to quote an article from the publication "1955 Report on the Prairie Provinces". I will not quote the whole article; it would be somewhat too long and especially too disastrous for our hon. friends opposite.

(Text):

An agricultural province must take a long-term view of things. With this in mind, it is revealing that Saskatchewan farms have a record of production, particularly during the past ten years, that has no equal for an area of similar size and population.

The extent of the Saskatchewan market can be appreciated when we consider that from 1944 to 1954, inclusive, 112,000 farmers in this province produced wheat, coarse grains, livestock, poultry and eggs, dairy and miscellaneous products to a value exceeding $6 billion.

Manufacturing in Saskatchewan has also been on the ascent, with the result that during the same period our factories have produced goods to the value of over $2 billion.

(Translation):

The article continues in about the same vein.

(Text):

Industrial development in this province continues to show encouraging growth. During 1954, 341 new companies were incorporated, with a total capital of over $47 million.

(Translation):

And now I should like to quote an article from the *Monetary Times* concerning the province of Quebec:

(Text):

The year 1955 surprised economists. After a slow start, the pace of production seemed to quicken. Experts hope that when all the statistics are assembled, the present year will prove to have been the most prosperous in the history of the province.

The people of Quebec have never forgotten the heroic efforts of their ancestors to clear, possess and maintain the land they own, the success of today and the hope of the future.

Agricultural production is down slightly this year. Preliminary estimates suggest net value of farm output was $325·2 millions, compared with $325·9 millions in 1954.

Farm cash income dropped somewhat this year.

(Translation):

Mr. Speaker, there is no doubt that prices of agricultural products have decreased to a certain extent in the course of the year. We cannot deny statistics. However, in the light of the extracts I quoted from the *Monetary Times,* it seems to me that we should be happy with the progress made by Canada during the last year.

Like the hon. members who preceded me, I have listened to and reread the speech from the throne, and I am still convinced it has been conceived with the purpose of serving the interests of the whole of Canada. Of course, the leaders of our country are men and, admittedly, anything human must fall short of perfection. Nevertheless, I remain convinced that the Liberal party does its best to maintain unity between the various groups making up the Canadian nation. With the best of goodwill, it cannot perform miracles. It cannot change wheat into uranium, nor surpluses into dollar bills. However, it must be admitted that the speech from the throne is so conceived as to balance the economy of the country.

(Text):

Mr. Speaker: Order. I have just been informed by the Clerk that it is 9.30 p.m. Pursuant to the provisions of standing order 38, paragraph 4, it is my duty to interrupt the proceedings and forthwith put the question on the amendment to the amendment and the amendment now before the house.

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

YEAS

Messrs:

Aitken, Miss	Cameron (Nanaimo)
Argue	Campbell
Balcer	Cardiff
Barnett	Castleden
Bell	Charlton
Blackmore	Churchill
Blair	Coldwell
Brooks	Dinsdale
Bryce	Drew
Bryson	Dufresne

Ellis
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—82.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cauchon
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—153.

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

YEAS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Dufresne
Ellis
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea

Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—82.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cauchon
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald (Parry Sound-Muskoka)
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—153.

Mr. Speaker: I declare the amendment to the main motion lost.

May I point out to hon. members that the taking of a division is an extremely delicate operation, especially for the Clerk and his assistants. I would venture to say that if there are no errors in the division list as it appears in the *Votes and Proceedings* tomorrow, it will be because those gentlemen have performed a miracle tonight. I would ask hon. members for their co-operation.

May I direct that appeal especially to hon. members sitting in the vicinity of the table, having in mind the fact that the microphones are open and that they do not discriminate. They pick up the noise that is being made around the table, and this noise competes with the voice of the Clerk Assistant who calls out the names. It also makes matters difficult for the Clerk who must catch all these names, and for the deputy clerk who must register the vote as it is being taken. I hope that hon. members, who realize the importance of the taking of a vote, will give us their co-operation.

Mr. Weir: Mr. Speaker, may I move the adjournment of the debate?

Mr. Hees: Mr. Speaker—

Mr. Knowles: Mr. Speaker—

Mr. Speaker: In order to preserve all rights and in order to give hon. members an opportunity to discuss what may happen tomorrow, it looks as though I might as well give the floor to someone who will not move an amendment. I will therefore give it to the hon. member for Portage-Neepawa.

Mr. Knowles: He might move an amendment.

Mr. Fleming: Not he.

Mr. Speaker: I would be surprised if he did so.

On motion of Mr. Weir the debate was adjourned.

It being eight 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:

DISABLED PERSONS ALLOWANCES

Question No. 16—**Mr. Bertrand:**

How many persons, by provinces, are now in receipt of allowances for disabled persons?

Answer by: **Mr. Martin:**

Province	No. of Recipients	1955 (latest statistics available from provincial records)
Alberta	1,079	November 30
British Columbia	595	December 31
Manitoba	677	November 30
New Brunswick	883	December 31
Newfoundland .	544	November 30
Nova Scotia	1,128	December 31
Ontario	7,403	December 31
Prince Edward Island	290	December 31
Quebec	10,411	December 31
Saskatchewan ..	651	November 30
	23,661	

HOUSE OF COMMONS

Wednesday, January 25, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

ADDRESS TO BOTH HOUSES BY PRIME MINISTER OF GREAT BRITAIN

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to ask the Prime Minister if he can inform the house whether or not the Prime Minister of Great Britain will be addressing the joint houses of parliament and if so at what time?

Right Hon. L. S. St. Laurent (Prime Minister): Yes, Mr. Speaker, I am very happy to be able to inform the house that the Prime Minister of the United Kingdom has accepted an invitation to address both houses of parliament here on February 6 at 2.30 in the afternoon.

UNEMPLOYMENT INSURANCE

STATEMENT AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): There is a question from the hon. member for Winnipeg North Centre which I have not yet answered. It has to do with the qualification of certain claimants for unemployment insurance following upon the application of the provisions of the new act. Other members have referred to this matter in speeches and otherwise and I hope that this statement may serve to clarify the matter for them.

The new act was not long in force when the commission found the rate of disqualification for regular benefits under it exceeded the rate experienced under the old act. A survey was undertaken by the commission and it was found that the interpretation which had been placed on section 119(b) was the cause of the disqualification in a substantial number of cases.

Section 119 (b) reads in part as follows:

> 119. For the purposes of establishing a benefit period and calculating the rate of benefit . . . under this act . . .
>
> (b) Six days in respect of which contributions were payable and paid under the old act shall be deemed to be a contribution week . . .

The narrow view given to the subsection was that six daily contributions, regardless of whether they were earned in one, two or three weeks, would count for no more than one weekly contribution under the new act, and nothing less than six daily contributions would count as a contribution week.

As a result of the survey the commission reconsidered the subsection and came to the conclusion that the view was too restrictive and was not in accordance with the spirit and intent of the new act.

Here, in a few words, is what the commission proposes to do. The ordinary provisions of the present act concerning the computation of the number of contribution weeks will be applied to all calendar weeks occurring before the act came into effect. In order to do this, the earnings of an insured person during the calendar week must be known; if they were $9 or over, the week would count as a full contribution week under the present act, and if they were less than $9, the week would count as half a contribution week. However, for the calendar week under the old act for which the evidence necessary to establish the earnings as above is not available, the statutory week provided for in section 119 (b) of the present act will be applied. This consists in dividing the total number of daily contributions for a period by six, and counting the result as so many contribution weeks for the purposes of the present act.

I am further informed that the commission is giving instructions to their field offices to expedite the review of the claims on which entitlement was not established, and to ensure prompt readjudication and retroactive payment to those who will be relieved as a result and who have proven, or can now prove, unemployment since the commencement of their claim.

The great majority, if not all, of those who were not qualified for regular benefits during October, November and December, are now in receipt of seasonal benefits which now provide benefits at the same rates as those established for regular benefits.

We all know that the local offices of the commission will be encountering, in a few weeks, their peak load, and I am sure that hon. members will realize that these readjudications and retroactive payments cannot be accomplished in a day. However, they

can be assured that everything in the commission's power will be done to expedite the matter. Since claimants in this category are already registered at their local offices, I can give assurance on behalf of the commission that such claimants will be notified direct by their local offices to call.

I must thank all the hon. members who brought the situation to my attention and that of the commission. This is an expression of our common solicitude for those workers who stand in need of all the protection which last year's revision of the Unemployment Insurance Act was designed to afford.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. Are we correct in assuming that this reinterpretation that has been made by the commission is not made under the transitional provisions of the act but is rather a permanent reinterpretation?

Mr. Gregg: It is made under a reinterpretation of section 119.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Labour arising out of his earlier statement today. Could the minister explain what relation the reinterpretation of section 119 will have to the application of section 45 (2)?

Mr. Gregg: Mr. Speaker, I am afraid it would take too much of the time of the house if I attempted to explain it this afternoon. I tried to cover that point in the latter part of my statement. It will apply in a different way to different claimants. Our local offices know who those claimants are and, in the light of the activity in those offices, they will immediately, as from today, call the claimants in, talk to them individually and deal with them as such.

STATEMENT ON REPORTED ROBBERY AT OSHAWA OFFICE OF COMMISSION

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I should also like to answer a question from the hon. member for Middlesex East (Mr. White), which he asked some days ago. His question concerned a robbery at Oshawa involving unemployment insurance funds. The replies to his two questions are as follows:

1. The unemployment insurance commission has received a report which is being studied. This shows that two employees of the commission were held up on their way from the bank to the local office and robbed of $6,000.

[Mr. Gregg.]

Investigation by the Oshawa police is proceeding and the commission feels that any further statement at this time might impede the progress of that investigation.

2. Two methods of payment of benefit are used: (1) by warrant; (2) by cash.

Where the volume of claims justifies it, payment is made by cash and this practice is followed at 90 of the 192 places at which local offices are located.

REQUEST FOR PAYMENT OF BENEFITS WITHOUT REGARD FOR TYPE OF CONTRIBUTIONS

Mrs. Ellen L. Fairclough (Hamilton West): May I direct another question to the Minister of Labour. Will his department also consider the payment of benefits under the scale in operation under the new act without regard for the type of contributions that were made?

Hon. Milton F. Gregg (Minister of Labour): I would be glad to take my hon. friend's question as notice. In answering it briefly now, however, it will be remembered that the provisions of this new act have been in effect now for less than four months. As it has gone along the commission, under the powers granted it for the making of regulations by order in council or by the commission itself, has taken steps consistently each month to achieve those smaller adjustments which have been indicated as essential. As I said the other day, the new act has worked out very well on the whole. Following this interpretation I have given today, I should like the commission to have eight or ten months or a year in which to observe its further operations, after which they will be in a position to iron out any further difficulties that may remain.

BUTTER

REFERENCE TO SALES TO COMMUNIST COUNTRIES

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): In view of the statement of the Minister of Agriculture last week in Winnipeg, as reported by the Canadian Press, that there is no surplus of butter—

Some hon. Members: Question.

Mr. Rowe: —and that we are now facing the danger of a shortage, I should like to ask this question of the Minister of Trade and Commerce in the absence of the Minister of Agriculture: Why have we recently sold eight million pounds and why do we propose to sell an additional four million pounds to communist countries at 40 per cent less than the price the Canadian taxpayers paid for it?

An hon. Member: Are you against it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall be very glad to call the attention of the Minister of Agriculture to the question, and I am sure he will be glad to answer it upon his return.

EXTERNAL AFFAIRS

SHIPMENT OF ARMS TO EGYPT—REFERENCE TO MINISTER'S STATEMENT IN HOUSE OF COMMONS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask a question of the Secretary of State for External Affairs arising out of the statement he made yesterday concerning shipments of arms abroad? In the spare parts of world war II type tanks which he said were included in the shipments to Egypt, are any breech blocks included?

Hon. L. B. Pearson (Secretary of State for External Affairs): I thought my hon. friend would have remembered what I said yesterday in giving the details of shipments in regard to particular countries in the Middle East; that I was inhibited by the reluctance expressed by one government to have a disclosure made of all the details because of the security and intelligence considerations involved. There is no reluctance on our part, and there would be no hesitation in making every single detail available. But the reluctance of the government concerned, in accordance with considerations of international courtesy, has to be taken into account.

By correspondence with that government, oral and written, we are attempting to convince them that the security considerations in this matter are not as important as are those considerations which would indicate that all these details should be released. As soon as we have completed those discussions I may be in a position to make a further and more detailed statement.

Mr. Fleming: May I ask a supplementary question? In approving the sale of spare parts of world war II type tanks to Egypt has the government taken into consideration the fact that the British tanks which recently found their way to Egypt via Belgium were complete except for breech blocks?

Mr. Pearson: Mr. Speaker, I should also have thought my hon. friend would have remembered that yesterday in regard to this matter I said that in respect to this particular kind of shipment we have an assurance, written and official, from the government in question that these spare parts were to be used only in connection with tanks which already belong to their armed forces.

Mr. Fleming: It is for that reason that I ask my question.

Some hon. Members: Order.

Mr. Fleming: The minister's statement simply leads me to repeat my question.

Mr. Pearson: I can answer that particular question by saying yes, all relevant factors were taken into consideration.

Mr. Fleming: What then is the fact in this regard?

REQUEST FOR COMMITTEE TO CONSIDER EXPORT OF MILITARY EQUIPMENT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Prime Minister a question concerning a proposal I put forward yesterday? Is the government willing to have set up a committee of this house to inquire into arms shipments abroad?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, no consideration has been given to the suggestion the hon. member made yesterday about setting up a select committee to inquire into that matter.

INQUIRY AS TO SHIPMENT OF MILITARY EQUIPMENT TO SOUTH AMERICA

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I ask the Prime Minister the following question? Has any military equipment been supplied by Canada to any South American countries within the last two years?

Right Hon. L. S. St. Laurent (Prime Minister): I am afraid I will have to take the hon. member's question as notice. It goes back over quite a long period. I am quite sure nothing of importance has been supplied to any South American country, but in making an answer in the house I would want to be perfectly accurate and I should like to review all that has been done during the period mentioned by the hon. member.

SHIPMENT OF MILITARY EQUIPMENT TO SENSITIVE AREAS

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I should like to direct a question to the Secretary of State for External Affairs. Has any military equipment been supplied by Canada within the last two years to any of the 34 sensitive areas mentioned yesterday by the minister, exclusive of Israel and Egypt, and if so to which areas?

Inquiries of the Ministry

Hon. L. B. Pearson (Secretary of State for External Affairs): I had better not rely on my recollection in respect of that very involved and all-embracing question. I shall look into that matter and give an answer in due course.

CONTINUED SUSPENSION OF ARMS SHIPMENTS TO SENSITIVE AREAS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. In view of what was said yesterday about sensitive areas, may I ask the Prime Minister if the assurance he gave the house a few days ago in regard to no further shipments to those areas still stands?

Right Hon. L. S. St. Laurent (Prime Minister): Yes, Mr. Speaker. I do not think it would be fair for me to consider that the debate in the house on that matter has ended.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO POSSIBLE CHANGE IN SUPREME COURT RULES

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Justice relating to the situation resulting from the decision of the Supreme Court of Canada which was announced yesterday in respect to the Coffin case. Is it the intention of the government to introduce legislation or other appropriate provisions to amend the rules of the supreme court regarding applications for leave to appeal in murder cases, and is this among the amendments contemplated in the announcement contained in the speech from the throne?

Hon. Stuart S. Garson (Minister of Justice): The announcement contained in the speech from the throne refers to amendments to the Supreme Court Act generally, and among those were amendments of the character referred to by my hon. friend. Upon these no decision has yet been reached.

NATIONAL DEFENCE

REPORTED USE OF BUTTER IN MILITARY ESTABLISHMENTS

On the orders of the day:

Mr. John Decore (Vegreville): Mr. Speaker, I should like to direct a question to the Minister of National Defence (Mr. Campney) or in his absence to his parliamentary assistant. Taking into account our occasional problem with regard to butter surpluses, is it true that margarine has been or is being extensively used in our military establishments?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, in the absence of the Minister of National Defence, may I take this question as notice.

LONG BRANCH—INQUIRY RESPECTING DEMOLITION OF SHACKS

On the orders of the day:

Mr. J. W. Noseworthy (York South): Mr. Speaker, may I direct a question to the parliamentary assistant to the Minister of National Defence? Has the Department of National Defence ever ordered the demolition of the shacks on its property at Long Branch, Toronto? If so, have these orders been carried out? If not, why not, and what use is now being made of these shacks?

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, in the absence of the minister, may I take this question as notice?

FLOODS

SASKATCHEWAN—INQUIRY AS TO DETAILS OF FEDERAL ASSISTANCE

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the matter of flood loss assistance to Saskatchewan been settled? If so, can the Prime Minister say on what basis settlement has been made? Was it on the same basis used with respect to the Red river flood and the flood in the Fraser river valley in 1950? If not, why not?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the answer to the first part of the first question is yes; the federal government made proposals of assistance to the province of Saskatchewan last October. This contained an offer to share the cost of repairing homes and associated structures damaged in the floods of last spring. It was a proposal similar to the arrangement made in the case of the Ontario floods in the fall of 1954.

Under this arrangement, which has been accepted by the province, although the premier has expressed some disappointment about it, the federal government has agreed to assume 50 per cent of the expenditures in those cases where the provincial government has rendered assistance along the following lines.

The first $100 of damage to be met by the owner with the provincial government making reimbursement of 80 per cent of the balance of the assessed damage up to a maximum payment of $5,000 for any one establishment. This would cover the repair of homes and associated structures. Naturally this does not limit the extent of the assistance the provincial government may see fit to provide but fixes the proportion in which the federal government would share.

As to the second question, the form of assistance is not identical with that given in respect to the Red river and the Fraser valley floods where in both instances the damage caused was of much greater relative magnitude. Moreover, since those earlier events parliament has passed legislation which had to be taken into consideration when the Ontario, Manitoba and Saskatchewan flood situations were being studied.

This legislation, the Canada Water Conservation Act, passed in 1953 takes into account the responsibility of the provinces in the control of floods, but at the same time makes federal assistance available in connection with major projects upon the application of any province. I may say that no proposals have been submitted by the government of Saskatchewan under this legislation.

Mr. McCullough (Moose Mountain): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. Could he inform the house of the amount of contribution the federal government will pay under this agreement?

Mr. St. Laurent (Quebec East): I do not have that amount. The arrangement provided that there would be co-operation between the officials of the finance department and officials of the appropriate department of the government of Saskatchewan to determine what the amounts would be. I shall ascertain whether the matter has been completed and as soon as possible give the hon. member the total of the federal contribution.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to ask a supplementary question. Could the Prime Minister say what consideration was given to paying compensation on account of damage to municipal roads? This damage was very extensive.

Mr. St. Laurent (Quebec East): That matter was very carefully considered, and the premier of Saskatchewan was informed that the federal government could not undertake to share in the repairs to municipal works.

Mr. McCullough (Moose Mountain): I should like to ask another supplementary question. Could the Prime Minister inform the house whether consideration was given to those individual farmers who will not be compensated under any other legislation for complete crop loss owing to flooding?

Mr. St. Laurent (Quebec East): Mr. Speaker, consideration was given to all the representations—and I can assure you that the premier of Saskatchewan did not omit any of them—that were submitted to the government. This was the answer that we finally gave to the government of Saskatchewan.

CHEESE

INQUIRY RESPECTING IMPORTS FROM NEW ZEALAND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Trade and Commerce. Has the minister any information as to whether or not there are likely to be any imports of New Zealand cheddar cheese into Canada during the next six months?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not had advance information, either through the spirits or otherwise, of the intentions of the New Zealand government. I shall be glad to make inquiries and see whether anyone in the department knows anything about them.

PRIVILEGE

MR. HANSELL—REFERENCE TO STATEMENT BY HON. MEMBER FOR CHARLOTTE

On the orders of the day:

Mr. E. G. Hansell (Macleod): Mr. Speaker, I rise on a question of privilege. As shown on page 484 of *Hansard*, in a speech by the hon. member for Charlotte (Mr. Stuart), he stated:

> My statement is supported and borne out by a letter written by the hon. member for Restigouche-Madawaska, and published in the *Vers Demain*, a paper which is supported and published by the Social Credit party.

My point of privilege is this. While *Vers Demain* is published by the union of electors in Montreal, it is not published by the Social Credit party with which the Social Credit members in this house are affiliated.

AIR TRANSPORT

INQUIRY AS TO CHANGES IN SAFETY REGULATIONS

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Transport. As a result of the reports made

available some time ago with respect to the serious airplane crashes at Moose Jaw and Brampton, has the minister made a decision as to any changes which might be made in the air regulations to provide greater safety in the air?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I shall take my hon. friend's question as notice and see what reply I should make to him tomorrow.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the Minister of Transport, supplementary to the question asked by the hon. member for York West? Have representations been received by the minister or by the air transport board asking for any change in the matter of flight hours and hours between flights for air-line pilots? If so, has consideration been given to any such representations?

Mr. Marler: I am quite unable to recall, offhand, whether any such representations have been received by officials of the department. I shall have to make inquiries.

Mr. Hamilton (York West): May I ask a supplementary question? Has the minister received representations on a wide basis from all interested parties, both air lines and other operators, in connection with any proposed changes?

Mr. Marler: The minister, Mr. Speaker, has not received any such representations, but representations may have been made to the officials of my department. I would have to make inquiries.

GRAIN

REPORTED MOVEMENT OF EMPTY BOX CARS TO BRITISH COLUMBIA

On the orders of the day:

Hon. George C. Marler (Minister of Transport): I should like to reply to a question asked me yesterday by the hon. member for Saskatoon. He asked, speaking of box cars, if empty cars were being moved by the Canadian National Railways from Edmonton to British Columbia. The management of the Canadian National Railways advise me that the railway is not shipping empty box cars west from Edmonton into British Columbia.

TAXATION

INQUIRY AS TO FEDERAL-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Prime Minister.

[Mr. Hamilton (York West).]

Has the Prime Minister received a request from Premier Douglas of Saskatchewan that a new federal-provincial conference on taxation be convened this spring? Is the Prime Minister prepared to have such a conference called?

Right Hon. L. S. St. Laurent (Prime Minister): I will have to reread the numerous letters I have received recently from Premier Douglas to be in a position to make an accurate reply to the hon. member.

Mr. Argue: Is the Prime Minister prepared to have a new federal-provincial conference on taxation called this spring? That is the question.

[*Later:*]

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a supplementary question to the Prime Minister arising out of the answer he gave a moment ago to the hon. member for Assiniboia. Would the Prime Minister indicate to the house how many of the other provincial premiers requested that such a conference be convened?

Mr. St. Laurent (Quebec East): I have no recollection of any request from any of the provincial premiers for a new conference. I think there is a suggestion in a letter from the premier of Saskatchewan that there should be a resumption of the conference on dominion fiscal matters to continue the discussions we had last October, and to give further consideration to the proposals to the provinces, a copy of which I tabled in the house the other day.

Mr. Claude Ellis (Regina City): As a supplementary question, may we take it from the Prime Minister's answer that his latest offer is not the final offer the government is making?

Mr. St. Laurent (Quebec East): It is the last offer that the government has made, sir.

FISHERIES

BRITISH COLUMBIA—REFERENCE TO PROPOSED MORAN DAM ON FRASER RIVER

On the orders of the day:

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, yesterday the hon. member for Kamloops asked me the following question:

Has the Department of Fisheries, or the government as a whole, received any representations from the government of British Columbia, or any other body, regarding the proposed Moran dam on the Fraser river? If so, are discussions under way as to ways and means by which the interests of fisheries and power would be reconciled?

The only representations to the federal government regarding the proposed Moran dam have been in the form of a request from an engineering consultant of the Moran Power Development Limited to A. J. Whitmore, chief supervisor of fisheries in British Columbia, to meet for the purpose of discussing the project and to consider the problem of providing facilities to meet the fisheries needs. The first meeting took place on November 17, 1955, in the Department of Fisheries offices in Vancouver. Another meeting took place on January 13, 1956. Discussions will continue in an effort to reconcile the interests of fisheries and power.

Mr. Fulton: May I ask the hon. gentleman to say again from whom the invitation was received? I did not catch it.

Mr. MacNaught: The invitation was received from an engineering consultant of the Moran Power Development Limited. This engineer's name was Russell E. Potter of Victoria, B.C.

Mr. Fulton: Is that the company which we understand has been formed in New York?

Mr. MacNaught: I have no information on that point.

WAR ASSETS

EXTENT OF MUTILATION OF GUN BARRELS WHEN SOLD AS SCRAP

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of Defence Production. When mutilated gun barrels or breech blocks are sold as scrap, as mentioned by the Secretary of State for External Affairs yesterday, is evidence produced to show that such barrels and blocks are beyond repair?

Right Hon. C. D. Howe (Minister of Defence Production): The instructions to the disposal corporation are that before guns are scrapped, and before they leave the possession of the corporation, the breech blocks are to be demolished. In other words, they are mutilated beyond repair.

HOUSING

REQUEST FOR LOWER INTEREST RATE ON N.H.A. LOANS

On the orders of the day:

Mr. Maurice Bourget (Parliamentary Assistant to the Minister of Public Works): Yesterday the hon. member for Regina City asked a question regarding the interest rates under the National Housing Act. In reply I would point out that whether or not the various interest rates under the National Housing Act will be changed is a matter of government policy upon which an announcement would be made at the time of the making of the change.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 24, consideration of the motion of Mrs. Shipley for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. George H. Hees (Broadview): Like very many other members who have risen in this debate, Mr. Speaker, I should like to begin by complimenting the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address. I should like particularly to compliment the hon. member for Timiskaming (Mrs. Shipley) on the very able address she gave, and also the hon. member for Bellechasse (Mr. Laflamme) on the good job he did in his first speech in the house.

From the line-up of business that appears before us, it would seem that this is going to be an interesting session. First of all, we are going to start on Friday examining the government's wheat policy in order to try to find out why the government has made such a colossal failure of that policy. Back in the forties this government assured the wheat farmers of Canada that if they would accept a price considerably lower than the world price for their wheat, this government would always guarantee that it would sell their wheat for them at good prices. During the past two years it has become evident the government has failed dismally in doing this, yet it has the colossal effrontery to ask the wheat farmers of Canada to pay 5 per cent on the money which the government should have paid to them, and which should be in their own bank accounts drawing interest or invested in government bonds which would yield a much greater rate of interest.

So far the government seems to be relying on its old policy of hope and grope. There is no indication it has any plan for improving the situation. It appears that when the crop comes in next year the situation will get worse. On Friday, therefore, we of the opposition will look to the government to hear some plan for improving the situation which has been so bad for the past two years.

Then, we are going to discuss the pipe-line policy. I think it has become evident to anyone who has examined this situation that

there is only a very slight hope the federal power commission in the United States will grant Trans-Canada Pipe Lines' application in time for it to meet the deadline of April 30. There are considerable forces arrayed against Trans-Canada's application in the United States, and they have available to them what are known as due processes of law by which they can hold up an application by anything up to two years. It appears certain that those due processes of law are going to be applied against Trans-Canada's application. Towards the end of April we are going to learn this government has no alternative plan to the present Trans-Canada plan. We are going to see this government once again start floundering around in a morass of uncertainty and indecision such as has characterized so many of its deliberations and operations during the past few months.

Now, Mr. Speaker, I shall examine some of the matters that came up for discussion during the by-elections. For instance, in the Spadina by-election one matter which was of great importance to the people there was the question of immigration. I talked to many people in that riding who came to Canada many years ago. They had settled down, had become citizens, and had established themselves in business and in the professions, and had become extremely good citizens of this country. They told me that recently they had applied to this government for permission to bring friends and relatives to Canada. They had offered financial guarantees and guarantees of jobs, but on many occasions they had been turned down without any explanation, and that is most infuriating to people who feel that at least they are entitled to an explanantion of government action of that kind. Those people resent very strongly a government program which appears to have no direction, is guided by no policy, and is operated simply through the whims of individual bureaucrats. They resent very much the arrogance of a government that appears to have forgotten that it was elected to serve the people and not to rule them.

The government was surprised on that election night when a previous majority of 9,000 votes, received only two short years before—and it was much more than that because in the 1953 election the Liberal candidate received two and one-half times the Conservative vote, 15,000 against 6,000—was turned into a Conservative majority. This time we won by a very comfortable majority. If the government was surprised at that result, then it would do well to talk to the people in areas like Spadina and find out why they resent the arrogant treatment that this government is handing out to the people of Canada today.

In the constituency of Restigouche-Madawaska there were two very important matters which caused the government once again to receive a stunning defeat at the hands of the electors in the by-election. First of all, the people of New Brunswick feel very strongly about the production of power. They need power, as do most provinces of this country, but particularly New Brunswick, which does not have very much manufacturing industry and which needs it. They need power to attract industry to their area. New Brunswick desperately needs power, not only to attract industry, but also to make it possible to smelt the new-found ores which are being discovered every day in that area.

After seventeen years of procrastination by the Liberal government, in 1952 a Conservative government was formed and Premier Hugh John Flemming set to work to give New Brunswick power which had been so long denied to it. He asked the government in Ottawa to help him in one way, and in one way only, by simply backing his power bonds so that he could obtain the money he needed to go ahead with his project at a lower rate of interest. This would not have cost the federal government one penny; it would not have cost the federal taxpayer one penny. It would simply have required the confidence of this government in the province of New Brunswick in its desire to help itself to produce power to attract industry and smelt its own ores and generally help itself. But what did this government do? It turned them down flat, in exactly the same way as it turned down the application made on several occasions by the province of Saskatchewan for assistance to build its very much needed and very practical South Saskatchewan dam, which would provide much needed irrigation and power to attract industries to that province.

The people of New Brunswick resented the attitude of this government, and they showed that resentment very clearly at the polls on election day when a former Liberal majority of 6,000 was turned into a Conservative majority of 2,200.

Another matter which annoyed the people of New Brunswick very much, and quite rightly, was this government's potato marketing program, or lack of it. The potato growers of New Brunswick have to contend with a high United States tariff against the potatoes that they would like to sell in the United States. We allow United States potatoes to come into Canada free of duty. Those

potatoes are permitted to come across the United States border free of duty; to be loaded on freight cars in New Brunswick; and be shipped to centres like Toronto and Montreal under the preferential maritime freight rates, and be sold in competition with New Brunswick and Prince Edward Island potatoes.

The potato growers of New Brunswick and Prince Edward Island ask simply that they be given the same advantage in the United States as United States potatoes are given in this country. But this government refuses to stand up to the United States government and ask for what is nothing more than a fair and even deal. The government should ask for the same kind of treatment for Canadian potatoes as we give United States potatoes, but this government has become accustomed to being subservient to the United States government, and it has not the courage to stand up to it. The result is, our growers are at a very severe disadvantage when compared with the growers in the United States. As I say, these matters are causing the people of Canada to develop a rising resentment against this dictatorial, arrogant government. If the by-election reverses which the government has received have not convinced it that it should pay more attention to the wishes of the people, and less attention to how they think the people should be treated, then perhaps it should examine the last three Gallup polls which have shown the political trend of the federal parties in this country.

The Gallup poll is not something to be taken lightly, because during the past several general elections it has been demonstrated to be surprisingly accurate in forecasting the results of those general elections. In each case it has never been farther out than 2 per cent, and in most cases not more than one per cent; therefore, it is something to be considered very seriously.

During the past six months three Gallup polls have been taken, and in every area of Canada the people selected by the Gallup poll canvassers have been asked this question: "If there were an election held today, which party's candidate would you support?"

Mr. Howe (Port Arthur): What was the answer to that question?

Mr. Hees: I am just going to give it. During those three successive polls, the Liberal party has dropped five percentage points, or 10 per cent of its former strength in a short six-months period.

Mr. Howe (Port Arthur): What is its strength?

Mr. Hees: Your present strength is 46 per cent; it has dropped from 51 per cent in six months.

Mr. Howe (Port Arthur): What is yours?

Mr. Hees: Our strength has risen from 26 per cent to 32 per cent, 6 percentage points, or an increase of 23 per cent, in the six-months period.

Mr. Dickey: A policy of scarcity again.

Mr. Howe (Port Arthur): A very close race.

Mr. Hees: What makes those figures particularly significant, Mr. Speaker—and we like to see the Minister of Trade and Commerce ignore these things because it is the kind of thing that causes a government very easily to find itself out of power after a general election—

Mr. Dickey: Thanks for the warning.

Mr. Hees: What makes these figures particularly significant is the fact that it is very rarely that you find people changing their political allegiance during a period of high prosperity, and there is no question that we have a period of high prosperity today.

Some hon. Members: Hear, hear.

Mr. Hees: Not through action on the part of this government but simply owing to the hard work and ingenuity of the Canadian people, and in spite of the fact that this government's policies are not conducive to producing a high level of income.

As I say, during periods of high prosperity it is very strange to find people changing their political allegiance. Most people will say at a time such as that, "Well, I have a good job, so why should I pay attention to what the government is doing"? When during a period such as this you find that the people are paying a great deal of attention to what the government is doing, and are expressing their opinion very keenly and sharply in by-elections and in Gallup polls, it is something to which any sensible politician pays a great deal of attention. But you can see that these figures are going right over the heads of the Liberal party because they have been in power for a long time and, in their usual casual and arrogant fashion, they think they are going to be in power for a long time to come. I can tell them, however, that the figures indicate that the people of Canada are getting fed up with this tired, arrogant Liberal government, which has been here too long, and are getting very close to a change.

I should like now to deal briefly with a statement which was made in Montreal a week ago by Mr. R. M. Fowler, president of

the Canadian Pulp and Paper Association, when he appeared before the Gordon commission. During that interview he expressed the opinion that he thought it would be better for Canada to remain primarily a hewer of wood and a drawer of water rather than, as he put it, "to become busily engaged in taking in each other's washing." I think that most Canadians were rather shocked at an expression of opinion of that kind by a man high up in the ranks of industry. But, after all, when you look the thing over a little more carefully, it is perhaps not surprising that Mr. Fowler made this statement because he is the government's latest appointment to head one of its royal commissions. In voicing the opinion which he expressed, he was simply echoing the opinion which this government has made it very clear during the past few years, is its opinion, namely that it would sooner have Canada remain a hewer of wood and a drawer of water.

By examining Mr. Fowler's statement, we can perhaps get to understand what makes the government pursue such a short-sighted policy. For this reason I have decided to deal for a few minutes with this statement, and to see if we can make some sense out of it. Mr. Fowler reported that in his opinion it would be better to have a smaller population working primarily in primary industry, rather than to have a larger population, as he put it, "busily engaged in taking in each other's washing." Mr. Fowler obviously considers that manufacturing finished products by Canadian workmen, using Canadian raw materials and working in Canadian plants, and deriving the additional employment and wealth which the processing of our own raw materials would provide, is something which should be avoided at all costs. He would obviously prefer to have us continue to ship most of our primary products out of the country in their raw state, to provide jobs for workmen in other countries, and then turn around and buy back many of those finished products for our own use here in Canada. That is the kind of thinking which unfortunately is close to government thinking. That is the reason why the industrial expansion of this country has not been nearly as rapid as it could or should be.

No sensible person would suggest for one moment that we should not sell to other countries the primary products which we ourselves cannot process. We derive much needed and welcome wealth and employment from the production of primary products which we sell to other people. What we in this country need is for this government to encourage the development of secondary industries so that, in addition to selling primary products outside of the country, we may benefit as well from the additional employment and wealth which would result from the processing of a much larger proportion of our raw materials right here in Canada.

Judging from his remark about taking in each other's washing, Mr. Fowler is obviously under the impression that additional manufacturing in Canada would be limited to production for the Canadian market alone. Most industrial nations derive additional employment and wealth from manufacturing for export markets as well as to supply their own needs. There is no reason in the world why Canadian workmen in Canadian plants and using Canadian raw material should not compete just as successfully for world markets as do our competitors. We have here in Canada everything that is needed for a great industrial expansion. In fact we are far more richly endowed than are many of our competitors who are competing successfully for the world market today.

Let us have a look at what we have. First of all we can produce enough food to feed several times our present population. Secondly, we have almost limitless supplies of timber and iron ore, which are the two basic requirements of any industrial program. We have tremendous resources of every kind of power, including hydro electric, coal, oil, gas and uranium. We have tremendous resources of nickel, copper, lead, zinc, and almost every other metal used in industry. We have capital, and we have proved that we can attract it from outside. We have the brains necessary to direct an important industrial expansion in this country. However, we must realize one thing. If we are going to produce more, then of course we must be able to sell more; and we are going to be able to sell more only if we can attract additional customers through better designs or lower prices or a combination of both.

One step I suggest we could take in the direction of improving our designs and lowering our costs would be to follow the excellent example of Great Britain and the United States in undertaking greatly expanded industrial research programs. These programs have been aimed at developing new and better designs and more efficient methods of production, and they have paid off handsomely for both countries in the way of enlarged sales.

Another way of making our products more competitive by reducing prices, would be to reduce our present high commodity taxes, which are today helping to price many of

our products out of the market. I believe a thorough examination of the possibilities that could be obtained in the way of winning new markets by lowering prices through lower commodity taxes, is something which is long overdue. In order that we may examine all possible means of obtaining additional markets through better designs and lower prices, I believe the government should set up a committee of this house just as soon as possible, with power to call industrial and labour leaders, economists, and others with special experience and qualifications, to examine three things. First of all, it could examine what might reasonably be expected in the way of developing new products and better means of production through a greatly expanded research program. Secondly, it could examine and give a thorough revision of our industrial taxation policies, and could examine any other suggestions which would be brought before that committee.

The results which have been obtained through expanded research programs in other countries are available for examination. There is no problem there. I feel confident that the submissions which would be received before the committee would convince the government that any initial tax revenue losses would be quickly made up by the additional taxes which would be borne by the additional production made possible through more competitive prices. If our production increased rapidly, and I believe it would, the additional taxes which would accrue to the government would be found revenue, and there would also be the additional income taxes which would be paid by the many additional thousands of workers who would find employment through a program of this kind.

I am sure that many other suggestions will be brought before the committee for improving the competitive situation. I think a thorough study of these suggestions would give the government the information it requires on which to base the necessary action to encourage a great expansion of industry in this country. If the proper economic atmosphere is created by sensible and farsighted government action, new industries will be encouraged to start up, and present industry will be encouraged to expand. This will mean jobs for many thousands more Canadians, at increasing rates of pay. It will mean less dependence upon the production of primary products, which will mean a more stable economy. It will make possible increased social security measures, by increasing the sources which pay for social security. It will mean lower taxes, because the tax base will be constantly broadening owing to a rapidly increasing population. It will mean the development of this country to its full potential.

And so, for the reasons I have mentioned, I urge the government to set up a committee of this house as early as possible to study this vitally important matter, and when that has been done, to bring in legislation which will encourage new industries to start up; present industries to expand; and enable this country to develop industrially as our tremendous supplies of raw materials, power, brains, manpower and capital undoubtedly merit.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in rising I share the privilege of those who have preceded me of offering my very sincere congratulations to the mover and seconder of the address in reply to the speech from the throne. I think the hon. member for Timiskaming (Mrs. Shipley) will agree that we could describe her efforts in no more complimentary terms than to say they were what we would expect from one who thinks, acts and speaks as a true citizen of the north. When I listened to the hon. member for Bellechasse (Mr. Laflamme) seconding the motion my mind carried me back to the time when I had a similar task to perform and indicated the great contrast there was between the competence and sangfroid with which he delivered his speech and the high state of nervousness in which I was on a similar occasion.

I rise to take part in this debate for one purpose and one purpose only. For some time now since the recent outbreak of sex offences we have been receiving from worried parents throughout the country large numbers of letters which make it very clear that a great number of them are under a misapprehension as to the law which is applicable to these offences at the present time. I appreciated the reference of the hon. member for York-Humber (Miss Aitken) yesterday to my feeling of sympathy with those who write these letters and with all those who as parents are worried about the situation that exists. I too am a parent and not only do I feel sympathetic with them, I am sympathetic with my own worries as a parent. In our family we instructed our children about the dangers of having anything to do with strangers long before we were able to explain to them what they might fear from having to do with strangers.

However, when we find that this widespread misapprehension as to the law concerning sexual offences is shared, not only by the general public but by members of the House of Commons and by some of the best editors in the country, I think it is definitely in the public interest that we should put on

the record what is the law at the present time. Perhaps we should have done this before now.

One of the best editorials that I have seen upon the subject is one which appeared in the *Globe and Mail* of January 12, 1956. In many respects it was an admirable statement. It started out in these terms:

> A new outbreak of sex offences, some of them involving young children, has again roused public concern. The problem is not simple and no wholly satisfactory method of dealing with it has been found. There is still a great deal to be learned about the psychological aspects of sex deviation, and even well-informed specialists in this field are inclined to be cautious in prescribing remedies.

I think those sentences constitute an intelligent opening statement with which most responsible people agree. The editorial goes on:

> Nevertheless, it is becoming clear that some action will have to be taken, and a far more earnest approach by the public authority is called for.
>
> The government—

I think it is obvious from the context that the government referred to is the federal government.

> —is not without appreciation of its duty and a royal commission is at present studying the problem with a view to making recommendations for more effective legal treatment of the matter. Following a similar outbreak of sex offences which shocked public opinion seven or eight years ago, parliament did strengthen the law relating to "preventive detention" of several types of sex offenders.

That statement is also quite correct and to the point. The law in effect at the present time is in the consolidated criminal code. Hon. members of the house will recall that the provisions in the consolidated code in relation to sex offences are almost a verbatim re-enactment of the legislation which was introduced by this government in 1948 to deal with this same subject matter.

The suggestion is made—perhaps not always made, but sometimes implied—that the law is not sufficiently severe, but I should like to list the punishment provided for various sex offences. These are all maximum of course and the judge or magistrate sitting on the case can impose a lesser penalty if he thinks the circumstances warrant it.

Rape—life imprisonment and whipping.

Attempted rape—imprisonment for ten years and whipping.

Carnal knowledge—that is sexual intercourse with a female under the age of 14 years—life imprisonment and whipping.

Indecent assault on a female—five years' imprisonment and whipping.

Incest—14 years' imprisonment, and in the case of males, whipping.

Bestiality—14 years' imprisonment.

Indecent assault on a male—10 years' imprisonment and whipping.

Acts of gross indecency—five years' imprisonment.

Peeping Tom—six months' imprisonment or $500 fine or both.

I was rather glad to hear the hon. member for Hamilton South (Mr. Reinke) express the other day, in as masterful a speech as I have heard upon a legal subject by a layman, appreciation for the presence of this provision in the new consolidated code. Members of the committee which considered this will remember that when we were discussing it there were a few who poked fun at the idea of creating any such crime as that.

Persons previously convicted of serious sexual offences found loitering or wandering at or near a school ground—just loitering or wandering—a playground, a public park or a bathing area—six months' imprisonment or $500 fine or both.

Surely no one will argue in the face of these maximum sentences that the court which convicts the accused lacks the power to impose really severe and deterrent punishment.

But that is not all. Yesterday the hon. member for York-Humber stated in her speech that there must be a revision of part of our Criminal Code to provide for the holding of offenders, or even suspects, indefinitely, whether they be held in prison for crimes they have committed or whether they be held for psychiatric treatment. The plain implication there is that that provision is not in the code at the present time. That impression, which unfortunately is also shared, as I have said, by some editors and by the general public, is quite incorrect. If one looks at part 21 of the new code, which deals with preventive detention and which covers both habitual criminals and criminal sexual psychopaths, one will find in section 661:

> "Where an accused is convicted of . . . "

—and then are listed the various sexual offences to which I have referred.

> . . . the court may, upon application, before passing sentence hear evidence as to whether the accused is a criminal sexual psychopath.
>
> . . . On the hearing of an application under subsection (1)—

—which is, by the way, the subsection I have just read—

> —the court may hear any evidence that it considers necessary, but shall hear the evidence of at least two psychiatrists, one of whom shall be nominated by the Attorney General.

The attorney general there referred to is not the attorney general of Canada but the attorney general of the government which

under our constitution has the responsibility for the enforcement of the law and the administration of justice, namely, the provincial government. The attorney general there referred to is the attorney general of the province.

(3) Where the court finds that the accused is a criminal sexual psychopath it shall, notwithstanding anything in this act or any other act of the Parliament of Canada, sentence the accused to a term of imprisonment of not less than two years in respect of the offence of which he was convicted and,—

I bring this specifically to the attention of the hon. member for York-Humber.

—in addition, impose a sentence of preventive detention.

Under subsection (c) of section 659, which is the interpretation section of this part, "preventive detention" means detention in a penitentiary for an indeterminate period. In that context "an indeterminate period" means for all practical purposes a sentence for life, subject to release on parole by the Minister of Justice.

In the face of these provisions, I think it is quite impossible for any one to be under the fear, as so many people in Canada apparently are, that there is no way in which these criminal sexual psychopaths can be permanently put out of circulation. Some may argue that it would be difficult to satisfy the onus which would rest upon the crown in this case of proving that the accused was a criminal sexual psychopath, but the definition of such is also, it seems to me, fairly clear. It says:

. . . "criminal sexual psychopath" means a person who, by a course of misconduct in sexual matters, has shown a lack of power to control his sexual impulses and who as a result is likely to attack or otherwise inflict injury, pain or other evil on any person . . .

I believe the answer as to whether this section is enforceable is to be found in the fact that we have in penitentiaries at the present time at least 20 criminal sexual psychopaths who are there because of the fact that the provincial authorities charged with the administration of justice have invoked these sections and have had these men incarcerated in the penitentiaries for an indeterminate period.

I do not know how many other applications have been made which were refused. Since these are entirely under the control of the provincial authorities, we do not get to know at all about their efforts unless and until a conviction is registered and the criminal sexual psychopath is sent to us with the necessary papers for incarceration in one of our penitentiaries.

When I call attention to this number of 20, which is not a great many over a period of eight years, I want to make it quite clear that I am not in any way implying or stating any criticism whatsoever of the provincial authorities of Canada. I believe any fair-minded person would agree that only those who have the same knowledge of the circumstances of each case that the crown prosecutor has are really in a position to make a just criticism of what he is doing or to have an opinion as to whether he is right or wrong in applying or not applying for committal for an indeterminate period. The fact that these men who are now in the penitentiaries under this legislation are there is, in itself, a rather conclusive answer to the question of whether or not the legislation, if properly invoked, can take these men permanently out of circulation.

The fact is that in this whole matter we are dealing with a subject which all those people who have given it the most study are convinced is an enormously difficult subject upon which to reach final conclusions. The hon. member for Hamilton South, in speaking the other day, quoted a man for whom I have a good deal of respect and admiration, the attorney general of Ontario the Hon. Kelso Roberts, Q.C., in these terms:

"We are concerned about these cases and we are studying the problem but we have got to move slowly. I sympathize with the people who are angry over these recent assaults on children. But we cannot just go around locking up each and every sex deviate. We are not behind the iron curtain. We have got to try and understand each individual problem."

We share his view and the view of others, for example the editor of the *Globe and Mail* who has also stated that this is a very difficult matter. Even after we had in 1948 set up what we think is an up to date and thoroughly modern code of law with regard to sexual offences; and even after that had been considered for three years by the royal commission that was charged with the consolidation of the Criminal Code, and considered again by both houses of parliament and, in spite of the fact that, during the progress of that legislation enacted in 1948 and re-enacted finally to become part of the consolidated Criminal Code coming into effect on April 1, 1955, no member of this chamber or of the other place criticized in any degree whatever this law with regard to sexual offences. Notwithstanding the fact that since this law became effective in 1948 we have not received any representations from any provincial government anywhere in Canada as to the inadequacy of the law or that it cannot be enforced; notwithstanding all these facts, but having regard to the inherent difficulty of the problem itself, we set up

another royal commission under Chief Justice McRuer of the province of Ontario to investigate this whole matter in the hope that we may possibly get more light upon a subject which is one of great difficulty.

This problem is not peculiar only to Canada. It occurs in almost every country in the world, in some countries to a greater extent than others. The picture is not all bad. If one goes back through the history of music and literature and the arts one will find that some of the greatest masterpieces in these fields have been achieved by sex deviates to whom we are in fact greatly indebted for what they have created and handed down to their fellow men.

There is one criticism I should like to make of another excerpt from this same editorial in the *Globe and Mail*, and perhaps I will not be expected to agree as wholeheartedly with this excerpt as I did with the first selection I read therefrom. The excerpt reads as follows:

> It would appear that indefinite sentences, related on the one hand to the need for prolonged treatment in so far as this is a practicable measure, and on the other to some form of occupational activity in custody, would be a decided help. At present, sentences for these offences are in general of mandatory length.

In other words, they are for a definite period.

> The offender serves all or part of the sentence and is then turned loose on society to commit further offences. This is discouraging to the police, it is alarming to society and it totally fails to meet the problem in any practical fashion.

I suggest, Mr. Speaker, that the impression which these remarks create is quite incorrect. All that the crown attorney or the prosecuting authorities in a province need to do in relation to a given offender is to decide whether upon the evidence available in that case they can establish that in addition to having committed the crime of rape, let us say, with which the offender is charged in that particular matter, they can also prove that he is a criminal sexual psycopath. If with that evidence in their possession they charge him with rape and he is sentenced to five years and then gets out, the excerpt from the editorial will apply to him. But if after his conviction for rape the prosecuting authorities apply to the court for an examination with respect to whether he is a criminal sexual psychopath and are able to adduce evidence, expert and otherwise, to prove that he is, then the results I have already indicated will flow. He will have a determinate sentence of two years and an indeterminate sentence over and above that.

There is one other part of the editorial upon which I should like to comment, and it reads as follows:

> One important reason for the reluctance of the courts to use this power is the failure to establish clinics in the penitentiaries for the treatment of such offenders. Prison sentences alone, while they do prevent the offender from endangering society, are in no degree remedial.

Here again the editor is, I think, wrong in his facts; but may I say that I have quoted from the editorial because I think that upon the whole it is excellent and one of the very best I have read. It is because an editor who will write such an an intelligent, humane and sensible editorial entertains these wrong ideas as to the facts that I think it is important that the real facts should be put upon the record.

What are the facts? The facts are that when these men go into our penitentiaries to serve there these indeterminate sentences—and no parole has been granted to any one of the 20 who have been incarcerated; they are still all in penitentiary—we have available in every one of our penitentiaries with one exception, namely Dorchester, part-time psychiatrists to provide psychiatric diagnosis and treatment for these imprisoned criminal sexual psychopaths. One might say that if these psychiatrists are only giving part-time care not enough time is being spent on treating these criminal sexual psychopaths. However, we only have 20 in the whole penitentiary system and not all of the 20 will accept treatment. The members of our committee will recall that on one occasion we had before us Dr. Gendreau, who is assistant commissioner of penitentiaries, and a distinguished psychiatrist of many years' experience who is largely in charge of this program. He said that one of the characteristics of some of these psychopaths is that they will not admit there is anything unusual about themselves at all. He said that unless they are prepared to make that admission and are prepared to receive treatment and cooperate, then the treatment is bound to be quite ineffective.

Therefore after making allowance for those who will not take treatment we have, not clinics, but ample facilities, for the giving of psychiatric treatment to these psychopaths who are incarcerated.

I give this reassurance to all throughout the country who are labouring under this fear, to which I have referred; and one has only to read the letters we have received to realize how great this fear can be. I reassure them that Canada does have a severe law against these sexual offenders, and it is a law which can be enforced. But, of course, and I think this is the point, and it is a very difficult point to get over in some cases, it does not

make any difference how good a criminal law is. The police must first arrest the offender. Then they must secure evidence against him to prove that he has committed the offence and that he is a criminal sexual psychopath before they can secure a preventive detention order which will take him out of circulation for an indefinite period.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, there are one or two aspects of the speech just delivered by the Minister of Justice (Mr. Garson) that call for comment. I shall be dealing with some other statements and activities of that hon. gentleman a little later in the course of my remarks in any event, but I think I should deal immediately with what he has just said. For that reason, if I merely express my very sincere congratulations to the mover (Mrs. Shipley) and seconder (Mr. Laflamme) of the address in reply to the speech from the throne, I trust they will realize that my sentiments are not the less sincere because I do not further elaborate on them. Perhaps the greatest compliment I can pay them is to proceed immediately to deal with the address which forms the subject matter of their motion.

What I should like to point out first, in connection with the remarks by the Minister of Justice, is that I could not help feeling what I have felt before in listening to him, that once again the hon. gentleman was, perhaps unintentionally, taking refuge in his belief that all this parliament has to do is pass a law, and that then there is no further responsibility here. He feels that if any unsatisfactory situation in connection with the administration or application of that law should arise, then we can wash our hands of it by saying that is the responsibility of the province, since, under our constitution they have to administer the law. In my opinion, Mr. Speaker, that is shirking the responsibility which this parliament and this government cannot avoid with respect to the field of criminal law generally.

It is not enough to say that we have passed sections 659 and 661, which the minister read. After all, there is always room for the possibility, and I suggest it is more than a possibility in this case, that the provisions of the law itself are not adequate. It is for that reason I regret that so often the minister seems to approach these things in the frame of mind that we have passed a law; we have discharged our responsibility, and now it is up to the provinces. I suggest to him that in connection with this matter of sex deviation, in the light of the remarks he has just made, there are two things which should be borne in mind.

First, incidentally, a correction should be made. The hon. gentleman pointed out in one or two places that the facts mentioned by the speakers and in the editorial to which he referred were not strictly accurate. In passing I should like to say that I believe the hon. member for York-Humber (Miss Aitken), and others who have alluded to this matter in the house, have done a great service in bringing it to the attention of the government. The hon. gentleman himself was not strictly accurate when he said that during the course of the passage of the new Criminal Code through the committee and the house there was not a single member who made a reference to the question of sex deviation or criticized the law.

Mr. Garson: If I may correct my hon. friend, I said that not a single member had made any substantial criticism.

Mr. Fulton: I accept the minister's correction, but I think he in turn overlooked the fact, as I am sure he would not have done had he given it more reflection, that the hon. member for Oxford (Mr. Nesbitt) dealt with it at some length when these sections were under consideration. That hon. member suggested that because of certain things that were taking place it might be appropriate to appoint a royal commission to inquire into the adequacy of the law and the methods of administering it. As I recall it, the hon. member for Winnipeg North Centre (Mr. Knowles) supported that suggestion. I have not had time to check these things, and I rely upon the statements made by the hon. member for Oxford, who is sitting beside me. As I recall, the minister's attitude was rather to make light of the situation by saying that the law seemed adequate and he did not see what good a royal commission could do.

Mr. Garson: The hon. member is not suggesting that the hon. member for Oxford was opposing the legislation, is he?

Mr. Fulton: No; the hon. member for Oxford suggested there should be an immediate inquiry into the adequacy of the legislation. At that time the suggestion was belittled by the minister. Notwithstanding that fact, our recollection is that it was not more than four to six weeks later when the minister accepted the view of the hon. member for Oxford and announced the appointment of a commission.

The other statement which should be made in connection with the minister's remarks is that it may well be suggested that the definition of a criminal sexual psychopath in section 661 does leave something to be desired. It is because of that definition and its implications that there is a great deal of

concern as to the adequacy of the law. I am sure the minister will agree with me that, by definition, an application to have a person declared a sex deviate can only be made in court if the accused has, by a course of misconduct in sexual matters, shown a lack of power to control his sexual impulses. I am not qualified, nor do I wish to appear dogmatic in these matters, but I do suggest there is room for the belief that that definition is too narrow. It requires that the person should be guilty of a course of misconduct in sexual matters; in other words, that there should be more than one offence before he can be declared a sex deviate.

I believe there is a substantial body of medical and psychiatric opinion to the effect that one offence of a particular nature may be sufficient, coupled with the necessary medical and psychiatric examination which would take place, to establish that a person is a sex deviate. However, an inquiry cannot be made now under the terms of the definition, unless there has been a course of misconduct, so there is plenty of room to suggest that the law does require amendment. In any event, the matter is under study by a royal commission and one would hope that the commission, as it undoubtedly will, would take that point under consideration.

This is the last day of the debate on the address in reply to the speech from the throne, Mr. Speaker. The government must be glad this debate is drawing to an end and that it is going to be delivered from a further recitation of its long catalogue of sins of omission and commission. Many of these weaknesses and omissions on the part of the government have been referred to already in the course of this debate, so I shall endeavour not to repeat what has been said. There have been other shortcomings on the part of the government affecting the life and welfare of everyone in every part of Canada that have not been touched. I should like to deal with these in the time at my disposal.

We saw one of them exposed yesterday, and that was the oft repeated offence of the government in its disregard of parliament. The subject was dealt with fully and effectively by the hon. member for Eglinton (Mr. Fleming). But one point he touched on requires further emphasis; that is, that the speech of explanation made by the Secretary of State for External Affairs (Mr. Pearson) left more things unanswered than it answered. The hon. gentleman did not offer to the house any explanation of why it was, if things were decided at cabinet level, he and his colleague denied all knowledge of them for approximately one week. The effect of that denial under those circumstances was to suggest to the house and the country that no such shipments were taking place.

The minister's explanation also left complete dissatisfaction, I am sure, in the minds of all hon. members who are really concerned as to the moral propriety of Canada profiting by the shipment of arms to these two countries in an area where there is grave tension, a tension which involves the whole world in the danger of armed conflict. I am at a loss to understand, and I am quite satisfied the people of Canada will be at a loss to understand, this attitude. In fact, the people of Canada will vigorously condemn the callous attitude of this government that they are justified in profiting by the shipment of arms to these countries under these circumstances.

Then there are other respects in which we see, as we review the situation today, examples of the long history of government weakness, contradiction, and vacillation; a lack of leadership in almost every field. In the field of dominion-provincial relations, the government has shown lack of certainty and a lack of policy which has continued to aggravate and disturb this country. We see the dissatisfaction existing in the majority of the provinces, judged by the statements of their premiers, with the course outlined by the dominion government.

With respect to the administration of justice, there is deep concern on the part of the people of Canada not only over this matter of sex deviates which we have just been discussing, but in connection with the situation of the supreme court generally and relations between that court and the government as exemplified in the Coffin case, which I am confident can be described as one of the most seriously bungled and mishandled cases in the history of the administration of justice in this country.

There is dissatisfaction and concern over the question of the shipment of arms to the Middle East; weakness, vacillation and contradiction in connection with our agricultural policy; denials that there is a butter surplus; confusion, uncertainty and dissatisfaction in connection with the policy on the shipment of feed grain, and freight assistance on those shipments. There is contradiction in the positions taken by the Minister of Agriculture and the Minister of Trade and Commerce with respect to marketing generally.

In the field of immigration we find that above all the government policy is characterized by lack of certainty and vigour, and its administration is shot through with uncertainties and injustices. The department

is led by a minister whose greatest concern is not to remedy the defects that have become obvious but rather to find alibis and scapegoats for his own shortcomings.

That is a short review of the situation which I shall endeavour to show in a few moments is amply substantiated by reference to detail. For all this, Mr. Speaker, I wish to emphasize that the Prime Minister must accept responsibility. He is the head of the government. If there is lack of leadership, if there is confusion, if there is contradiction, if there is division of policy, the Prime Minister must accept the responsibility for that situation.

I suggest to you, sir, the fact that attacks with respect to policy may be directed at individual ministers should not blind either this house or the country to the fact that the ultimate responsibility for the situation rests with the right hon. gentleman who is head of the government. The situation we see today is one in which this house is faced with the spectacle of a government led by a group of older men who have lost their drive, their imagination and their initiative, who are working at cross purposes, who are in fact stultifying the younger men, of whom there are some in the administration. Since the party line is laid down by the hard rock core, a statement which we have on the best authority, these younger men must serve in frustration and silence while they toe that line.

Now I should like to turn to some of the details which support the general criticism which I have made of the administration in office today. I base my case first on certain activities of the Minister of Justice. I have had occasion in the past to point out how that hon. gentleman follows tactics which he hopes will result in profit to his party but which, if successful, can only result in misfortune to the country. These are the old Liberal divisive tactics of seeking to set one section of the country against the other. I refer specifically to the conduct and the statements of the minister in connection with the field of dominion-provincial relations and the tax agreements which have been recently the subject of conferences between the dominion and provincial governments.

It is interesting, Mr. Speaker, to look at statements made by the Minister of Justice in Manitoba at the end of 1954, when he went out to follow this line, which he had laid down himself, of trying to divide the west from the east. He said, as hon. members will recall, that the Conservative party and its leader were seeking to put an end to the tax agreements. Incidentally, he said that was being done in the interests of eastern Canada. He said that only the Liberal party could preserve and perpetuate the tax agreements. He said the Liberal government had put them into effect, and the Liberal party was the only party in the House of Commons at the present time that is able and willing to defend and perpetuate them.

Mr. Garson: Hear, hear.

Mr. Fulton: I hear the minister applauding his statement. Of course, all the ministers are so used to contradicting themselves and being at cross purposes that he does not realize they are contradicting the statements made by the Prime Minister. That is, in fact, what the Minister of Justice has done. He repeated himself in another speech made in Manitoba in October of 1954. I will not read a quotation from his remarks on that occasion except to say he said once again that the enemies of the tax agreements were in eastern Canada and it was in the interests of western Canada, therefore, to support a government which would perpetuate them.

The minister decried the efforts and the position of those who were recommending at that time that a dominion-provincial conference be called. The minister is on record as opposing any substitute for the tax agreements, and as opposing a dominion-provincial conference to discuss those tax agreements or to discuss any substitute or alternative to them. He placed himself on record for political purposes in Manitoba last fall. What happened? His leader, the Prime Minister, called a dominion-provincial conference. Then an extraordinary situation arose. The Minister of Justice attended that conference, for the purposes of discussing fiscal relations and finding an alternative to the tax agreements, as a delegate of the dominion government. At that conference, in his opening speech, at page 14 of the record, the Prime Minister said this Liberal government—he did not use those words; he used the words "federal government"—is not wedded to the tax agreements. Here is what he said:

> The federal government has never contended that these agreements were a final, or a perfect, or a permanent answer to the problems in our fiscal relationships. I could quote, but will not take time to do so, Mr. Ilsley, Mr. Abbott and Mr. Harris all to this effect, as well as my predecessor and myself. We are quite prepared to see these agreements modified, improved, or even superseded by something better—if it can be found.

He went on to say:

> We in Ottawa have been exploring various possible modifications in our tax rental agreements, or alternatives to them—

Yet there still sits in the cabinet, the minister who said no alternative could be found, and that anyone who talks of or seeks

to find an alternative is an enemy of confederation. That is what the Minister of Justice was saying at that time. The Prime Minister went on:

—and will have some thoughts to exchange with you about them.

Let us contrast that attitude of the Prime Minister with another statement of the Minister of Justice, which was made in Manitoba barely a year earlier. The Minister of Justice was decrying the efforts of those who sought to have dominion-provincial relations brought down to a sensible level and placed on a better basis than the tax rental agreements, as they were then. That is the same Minister of Justice we see here today. In his statement we see another example of the arrogance and complacency of the Liberal government. This is the text of his speech made in Manitoba on October 15, 1954. He pointed out that those tax agreements had been devised by this government and its advisers and had been under consideration since 1941. Then he went on to say:

It seems likely that all the available alternative methods have already been considered for meeting the problem which is being solved by the dominion-provincial tax agreements. One does not need to be a sceptic to doubt that a plan which is being advanced in 1954 has either been considered and rejected in the seventeen years of consideration which this subject has had since 1937, or that it has not been considered, because it was not thought to be worthy of consideration.

That was the Minister of Justice seeking to inflame the country against those who sought a revision of or an alternative to the tax agreements, an alternative which is so timely and necessary. There we find the Minister of Justice seeking to inflame the country against those who side with a revision of or an alternative to the tax agreements which is so timely and necessary. First he says that those who suggest these things are enemies of the country, and that it is nonsense and a waste of time to talk about it because, after all, this government has been in power for 20 years and if they could not think of a better method then nobody else could do so.

Then swallowing his own words and forgetful of principle—he, the champion who had stated that his party was wedded to this principle and would accept no substitute—he sits at the feet of his leader in the conference called to consider the matter and hears the Prime Minister say: "We are not wedded to the principle of tax agreements. We are prepared to consider any alternative anyone may put forward".

That is not the only example of divisive tactics and conflict between the position of ministers, and it is not the only example of shortcomings of administration in the field for which the Minister of Justice is responsible. I want to refer briefly to a case which was the subject of a report in the newspapers yesterday, namely the Coffin murder case. I say deliberately—and I want to choose my words carefully—that I am not aware of any occasion on which there has been a more deliberate or flagrant departure by a government from the principles that should govern the relationship of that government with the supreme court, the highest court in the land. In this case there was a deliberate interference by the government with the exercise by that court of its judicial function. Moreover, it was an interference which has placed in an impossible situation the most recent appointee of this government to the bench of that court. The gentleman to whom I refer was one of their own colleagues until a matter of a few years ago and, I think, is their most recent appointee.

What happened in this case? There was an application for leave to appeal to the Supreme Court of Canada. As is provided by the rules of the court, that application came before a single judge. It was heard by him in his capacity and in the scope of his duties as a judge of that court. In the exercise of his judicial function he made a finding that leave to appeal should not be granted.

Then certain representations were made to the government. Whether or not those representations should have been made is beside the point. The point is that the Minister of Justice allowed himself to be made a vehicle by which the government as a whole interfered with the exercise by the court of its judicial function and said in effect, "we do not like the decision of the court and we are going to refer it back to you for further consideration".

I point out that this matter has nothing to do with the exercise of clemency. If the government had wanted to exercise clemency in the case, or to have it reviewed, other methods are open to them. Proper methods are provided by the law, particularly that under section 596 of the Criminal Code. Under this section the minister may, upon an application for the mercy of the crown by or on behalf of a person who has been convicted in proceedings by indictment, direct by order in writing a new trial before any court he may think proper. That would be a proper exercise of the minister's responsibility, and if it were clemency or review they had in mind that was the proper course to follow. Instead of doing that, the minister and the government interfered with the exercise by the Supreme Court of Canada of its

judicial function, saying in effect, "We have no confidence in the judicial capacity of our most recent appointee to that court".

This is a disgraceful interference in the work of the court and one which can only have a damaging effect. I do not wish to say anything which would be prejudicial to the court in the eyes of the public; the minister has done enough to the prejudice of the court already. But I am certain that persistence in such a course could not help but bring the court into disrepute and lower its esteem in the eyes of the people of Canada.

There are some things which I think should be recommended in this connection. Admittedly it was a difficult situation with which they were faced, but there again the minister is responsible for allowing the matter to drift along so that the situation arose. If there are defects in the rules of court in connection with the procedure for dealing with an application for leave to appeal, the rules of court should have been amended. As a matter of fact, I would suggest that earnest and immediate consideration should be given to the question of an amendment which would provide at least that any application for leave to appeal in a capital case would be heard by the full court. Indeed, it might well go so far as to provide that in a murder case leave will automatically be granted if applied for.

As I say, the court was placed in a difficult position in connection with this matter by the existence of the present rule; but the answer to that difficulty is an amendment to the rule, and not an interference with the exercise by the court of its judicial authority as has taken place in this case.

I should like to turn now to one or two other matters where we find repeated the pattern of inadequacy and omission on the part of the government. I shall deal first with the field of agricultural policies. Here, of course, we are dealing with the Minister of Agriculture, and it is rather difficult to extract and tie down any very definite statement of policy because that hon. gentleman is a master of the double statement; the statement he makes first and the correction he makes later after the weaknesses of his original statement have been exposed. But at least he is on record, in a way that he cannot escape, as having denied that there is a butter surplus in Canada. So first I shall refer to the mess they have made of butter. The minister has denied that surplus here in Ottawa, and he denied it in a meeting out in my own country, in Vernon, British Columbia.

Mr. Rowe: And in Winnipeg.

Mr. Fulton: I also understand that he denied it recently in Winnipeg. Yet the figures which were tabled here in the house the other day show that at the 1st of January the dominion government held 81 million pounds of butter. If there is no surplus in butter I would ask the house and the minister why the government is subsidizing communist countries at the expense of the Canadian taxpayers? If there is no surplus of butter, why do you have this disposal program which is an aid and a comfort to our enemies and not to ourselves or our friends?

It appears that the government's whole disposal program, another aspect of which we saw in connection with the arms deal which has been the subject of debate here, is one which will carry the disapproval of the people of Canada as a whole and will be strongly censured by them. I have already suggested that our people will not be happy —indeed they will be far from happy—about the fact that the government has committed this country to profit by arms shipments to both sides; and the situation is not improved by the highly moral but specious arguments put forward by the minister yesterday.

As I followed his words he adopted this attitude. Equality, he said, between those two countries on the verge of flying at each other's throats must rest on a sturdier basis.

Mr. Pearson: I was not referring to arms shipments at all.

Mr. Fulton: He was referring to the suggestion that he visit Israel. He said that equality must rest on a sturdier basis.

Mr. Pearson: I was talking about visits to the two countries.

Mr. Fulton: Apparently in his view equality rests on the sale of arms to both sides for profit.

Mr. Pearson: That has nothing to do with it.

Mr. Fulton: Then when he was criticizing the hon. member for Winnipeg North (Mr. Stewart), as reported at page 467 of *Hansard*, he went on to say this:

> Passion on either side of this issue is not likely to help.

From the minister's attitude one would suppose that he feels that arms shipments to both sides will help. I suggest to you that he will find, as you know and as we know, that the Canadian people disapprove strongly of such a course of action.

This was by way of interjection in my remarks on another surplus disposal program. Coming back to the question of agricultural policy, we find a mess in connection with the marketing of our grain. I am not going to

discuss the situation on the prairies, because I am not as well acquainted with that field as are hon. members from that area, but I know the people in my own district are affected by the government's contradictory policy in this connection. Everyone feels that it would be a contribution to the solution of this problem to dispose of low grade grains as feed in order to make space available in the elevators for the higher grade grain now stored on the farms. My leader suggested that in the course of his speech here and he has suggested it frequently elsewhere as well. The Minister of Agriculture is on record as advocating such a policy. I have here the text of his address to the dominion-provincial agricultural conference held in Ottawa on December 7, at which time he advocated the use of feed grains in Ontario and elsewhere. The minister said:

> If they are going to sell western grain through livestock I think the cheapest way for them and the cheapest way for the farmers in the west is to get the grain moved from the farm out west to the farm down here and feed it. If the wheat board has regulations preventing that, well let us get after the wheat board and get the regulations changed.

Those are bold words, but who is in a better position than the Minister of Agriculture to get after the wheat board and make that possible? But he has not done so. Here is the Minister of Agriculture advocating in December, 1955, that farmers elsewhere should use low grade prairie grain to feed their cattle, yet that same minister only a few months previously cut in half the freight rate assistance on the movement of feed grain. As a result farmers in British Columbia, Ontario and the maritimes find it more difficult, indeed find it practically impossible, faced as they are with declining prices for their livestock, to pay the increased cost of feed grain. Yet because of increased competition for quality cattle their need for the feed grain is even greater than it was before. There we have another example of contradiction, weakness and vacillation on the part of the government, on the part of one minister with respect to the policies of his own department.

I shall not have time to review all the shortcomings of the government, as I have too long a catalogue here. But I do want to place on the record this further example of the government's thinking, and of the sort of explanation it offers the farmers and other people in this country for their problems. Incidentally, before I leave the other point, may I say that I advocate the restoration of the full measure of freight assistance on feed grain to the level it was before it was cut last year.

[Mr. Fulton.]

I want to place before the house a sample of the thinking of the Minister of Agriculture in connection with these problems for which he has some responsibility. He was talking to the dominion-provincial conference about the assistance to prairie farmers offered by the government's arrangement for them to get loans from the banks on their wheat, at 5 per cent. "Why", said the Minister of Agriculture, "they can double their money". I quote from pages 21 and 22 of the text of his address to the conference:

> Let us suppose it is a thousand dollar loan he had. By the time he gets through paying off the loan he has had two thousand dollars, not one. He had one thousand which he raised by loan and he has had the other thousand which he received for his grain as he goes along. If it lasts six months and he is able to get grain in the elevator, six months hence he will have had the thousand dollars he borrowed, he will get another thousand dollars out of the grain as he delivered it and he will get through in my opinion till next spring cheaper than he would get through any other way. He knows that too.

I suggest to my hon. friends of the Social Credit party that there they have a ready-made convert, except that his financial thinking is even more difficult to understand than that of my hon. friends.

My time is short and the catalogue of government shortcomings is long, so may I conclude by reminding you and the house that the Prime Minister must be held responsible—and is responsible—for these shortcomings. We have a picture of a government wrong about almost everything. They have been wrong about arms to Egypt and Israel. They have been wrong in their attitude to the house. They have been wrong about the butter surplus, and about farm prices. They have been wrong about wheat generally and in their feed grain policy. They have been wrong in their policy on dominion-provincial relations; they have been wrong on immigration and they have been wrong in connection with the administration of justice.

I suggest to you that indeed they are no longer entitled to the confidence of the house, and more particularly so far as this house is concerned, I suggest to you that because of the repeated neglect of their responsibilities to parliament, for that reason above all others they have forfeited any confidence previously reposed in them.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, a year ago the remarks I made in this debate caused a considerable number of hon. members to rise in their places to make speeches. I have been told that there are members in this house who find it most

difficult to find anything worth mentioning in the house, and as a result seldom rise in their places.

I should like to say for the record that in saying what I did last year I at no time made reference to either the language or the religion of the majority of the people in the province of Quebec. I have always held the highest regard for that language and for the religion of most of the people there. In fact members of my immediate family belong to the same faith, so I would be one of the last to cast aspersions upon it. Many of the statements made constituted a complete misinterpretation of the intent of my remarks. I hope it was not intentional, but misinterpretation it was.

It seems odd to me that in Canada we have reached the state of affairs where westerners cannot speak of things that mean much to easterners without the easterners becoming exceedingly excited. I should like to answer a question that was put to me at the time by the hon. member for Pontiac-Timiskaming (Mr. Proudfoot), and I am sorry he is not in his seat. The hon. member asked me whether a French-Canadian and a Roman Catholic could be elected in the riding which I represent.

In reply to the hon. member may I say that never to my knowledge has anyone there asked a candidate to what faith he belonged or what was his racial origin. One of the finest members in this house who comes from British Columbia is of the Roman Catholic faith. One of the most distinguished premiers we have had in British Columbia was of the Roman Catholic faith. That in itself should be evidence that we do not ask people what their racial origin is or what is their faith when we elect them to public office.

Many references were also made to a rather large settlement in my constituency by the name of Maillardville, where there are thousands of Canadians of French descent who many years ago left the provinces of Quebec and New Brunswick because they felt they could enjoy a higher standard of living in British Columbia. They have come to British Columbia and they feel at home and are happy there. They are accepted as, and are, excellent citizens. True enough, we may at times have our little misunderstandings, but I can assure you that we shall solve those misunderstandings around the council table and not by hurling threats at one another. We simply do not do things that way.

Without wishing in any way to create the impression that I did not mean what I said last year, I want to put in a word on behalf of hundreds of thousands of people living in the province of Quebec. It concerns the matter of the new C.N.R. hotel in that province. We in Vancouver would resent it very much if a new hotel were built in Vancouver and what to some of us might be a foreign name were applied to that hotel. The people of the province of Quebec have shown in no unmistakable terms that they feel hurt by the name that has been recommended for the new hotel, and I have yet to hear a satisfactory explanation from this government as to why the obvious wishes of the people there should not be acceded to. I am sure the people of British Columbia, at least, do not care at all what name is applied to the hotel in Montreal. As long as it makes people there happy, we shall be satisfied.

I now turn to other subjects. If it were not so serious I would be inclined to be a little amused by the fact that the Secretary of State for External Affairs yesterday came close to shedding crocodile tears when he said that if we had sold arms to all the countries that have asked us for arms, more Canadians would have had employment. That is too bad. Apparently, according to that version, we shall have to begin manufacturing arms and selling them all over the world in order to rid ourselves of our unemployment problems.

We are concerned with this problem, and vitally so. We all hope that a major world conflict has been avoided and will be avoided for the foreseeable future. However, we all have to reconcile ourselves to seeing many small wars in the world in the years ahead. I hope that through the United Nations we shall be able to hold these down to a minimum where they exist, and they will continue to exist.

We in Canada have the raw materials which are the sinews of war, the wherewithal out of which armaments are made. As a result of world war II, we have developed the industrial capacity to manufacture these raw materials into armaments, and there are many people in Canada who are very much concerned lest this country become the arsenal of the merchants of death all over the world. We are very much concerned. For many years we have heaped abuse—and plenty of it—on armaments manufacturers in other parts of the world, and I believe rightly so. We want to be sure what Canadian policy is. If the government say we have to keep both sides supplied, I hope that does not mean we are going to be supplying both sides of all the little wars and all the little revolutions that may occur.

I have a few words to say in regard to the Department of Citizenship and Immigration. Here also I find it very hard to determine just what is the policy of the government. In British Columbia we frequently have the honour of having in our midst the Minister of Citizenship and Immigration. He must be a keen analyst of the thinking of people in various parts of Canada, because when he comes to our fair province he seems to go out on a limb in some of his announcements. I understand that in a talk he gave there not many months ago he made the statement that in the Department of Citizenship and Immigration such a thing as racial discrimination does not exist.

I do not see how the minister could make that statement when our regulations and orders in council governing immigration themselves provide for racial discrimination. We find it very hard to understand how he can go out there and inform us that racial discrimination does not exist. I would advise him to ask the Canadians of East Indian origin in western Canada whether they would agree with him when he says that racial discrimination does not exist. I would also like to have him ask the officials of the West Indies whether they would agree with him that racial discrimination does not exist.

I also noted the statement he made to the effect that, in the interests of helping world peace, Canada was willing to accept some of the Arab refugees from the troubled areas. However, he did say that they must be able to speak either the English or the French language, and that they must have a trade in which they could be employed once they were here. I do not see how that is helping the situation at all. Surely the minister must be well aware that even those refugees who are able to speak either English or French do not have a trade. If we are to take them into Canada we shall have to be prepared to train them so they can play a useful role in our national life.

I am also a little concerned about the screening process through which we hear these immigrants must go. I have some reasons to believe that the screening process exists only in the imagination of the Minister of Citizenship and Immigration. I have met a goodly number of immigrants to Canada, and I have found their political leanings so widely diversified that I cannot see just of what the screening process consists. In my opinion it is certainly not screening out any communists. I would once again plead that the minister consider—if Canada needs a greater population, and I agree that it does—bringing into Canada orphans on a mass scale. That is something that could be very ably organized by the department of the Minister of National Health and Welfare.

The other day I read that Great Britain would like to have a population of seven million less than it now has. I do not really appreciate the reasons thus far given as to why more of these seven million people could not be admitted into Canada. I can see one possible reason and that is the known Liberal hatred of anything British. It seems that now they are even replacing our Union Jack with the uncle Louis pyjama flag as our national flag.

I should like to endorse the views expressed by the hon. member for Kamloops (Mr. Fulton) when he complained of a lack of national leadership. I was here at the opening of the dominion-provincial conference last October. I thought the Prime Minister would open the conference by giving some leadership to the Canadian nation. Instead he got up and more or less said in effect, "East is east and west is west and Canada is yours. Help yourself to whatever opinions you like; maybe black is grey, although I am not too sure, and maybe white is green". Then he sat down.

I was proud indeed of the ten men who represented the provinces of Canada. I thought each of them did very well. They spoke ably. They had opinions they wished to present, and all of them stated they were quite prepared to listen to other opinions and to arrive at an agreement. Despite the lack of leadership by the Prime Minister at the opening of the conference, I am sure all of us were hopeful that he had acted in that manner by deliberate design in order to allow the premiers to air their views, and we expected he would then supply the leadership necessary in order to arrive at a satisfactory solution.

What happened? There were several days of negotiations and conferences behind closed doors. The premiers went home thinking they would be called back again for the purpose of having presented to them one or more plans that could be the subject of debate and further negotiation. But what happened? Instead, there was no compromise. There was no "Canada is yours" any more but merely a cold-blooded letter saying, "Boys, I have listened to your beefs long enough. This is it. I am old and I am tired, and I want this thing settled." Of what avail are all the great protestations about conciliation, that we must unite Canada, that we must reach an agreement and devise a plan upon which all can agree, if the premiers are to be faced with a letter and told that this is it?

Even this afternoon the Prime Minister said in effect, if not in intent, that this was it and there would be no further negotiations. I am not nearly as proud of the leadership offered to Canada by the Prime Minister as I am of the leadership being offered to each of the ten provinces by their premiers. We also see the lack of leadership in the cabinet vacancies that now exist and the fact that some of the most important cabinet posts are held by men who also hold other cabinet offices. I am somewhat inclined to feel that the Prime Minister is afraid to fill the existing cabinet vacancies. Surely the biggest business in the country operated by the government, the post office, deserves its own cabinet minister.

Is there no Liberal member of parliament with the ability to fill this cabinet post? Is there no cabinet minister who could be promoted to that post and his lesser responsibilities given to one of the Liberal backbenchers? I can see one reason why the Toronto members might not be awarded cabinet posts. The Toronto people have the unique ability to elect C.C.F. people under the Liberal label, people who sit in this house as Liberals.

Mr. Carrick: On a question of privilege, Mr. Speaker, I am a Toronto member and I assure my hon. friend there is no tinge of the C.C.F. in my make-up.

Mr. Regier: Mr. Speaker, I did not wish to refer to the hon. member for Trinity (Mr. Carrick), but since he has risen on a question of privilege I can assure him he was not one of those I had in mind. I was referring to some members from that city who are slightly his senior. I can also sense that there is a little bit of difficulty, because I noticed the other day that not all the Toronto members have the privilege of preparing their speeches in the anterooms of the Minister of Trade and Commerce. The minister was very much concerned the other day when the hon. member for Winnipeg North Centre interrupted the hon. member for Trinity and asked that he not be permitted to continue reading his speech. Therefore I can understand some of the difficulties the Prime Minister is facing in that part of Canada.

I also am somewhat at a loss to understand many of the Liberal speeches in this debate. You could take at least 12 of them, tie them together and wrap them up, and I think you could use them as fairly good C.C.F. campaign literature. I noticed that one of them devoted his energy to the subject of federal aid to education, something we have consistently offered to the nation and which the Liberals have consistently voted against in the house. Another spoke about the guaranteed annual wage, something perfectly consistent with socialist philosophy and heartily endorsed by us. Yet I am sure if that matter were put to a vote the hon. member would feel obligated to vote against it because of the wishes of the Liberal hierarchy.

I could mention many other subjects that were referred to. The Liberal party seem to be falling apart at the seams. They are groping for the needle and thread with which to sew themselves together. They are unable to find the thread, and the needles are pricking them all over. No leadership is being given by the Liberal party in Canada, and no leadership is being given the Canadian people by the Prime Minister of Canada. I should like to ask the Prime Minister, so that it may be on the record, what is the national interest of Canada? Is there such a thing as a nation, and what is the national interest? Surely it must exist. After all, Mackenzie King's chickens of national unity are coming home to roost, and I sympathize with the Prime Minister that he has to eat the soup cooked for him over so many years.

I have been in southeastern Manitoba this year and the attitude there is, give us the Social Crediters, give us the Conservatives, give us the C.C.F.'ers, give us anything except the Liberals; we are sick and tired of what we have now.

I was very pleased to hear the Minister of Labour make an announcement rectifying the blunder made in the amendment to the Unemployment Insurance Act. This, Mr. Speaker, is how the Liberal party operates. When this problem was put before us back home by labour leaders I mentioned the possibility that any payments might be made retroactive. I said that if the government admitted they had made a blunder then they owed money to a lot of unemployed people by way of unemployment insurance payments.

One of the so-called labour leaders who is a member of the local Liberal hierarchy immediately saw the difficult situation in which the government would be and jumped to the defence of the government. He said, "Oh, that would be completely unrealistic; it would be impossible. Think of all the red tape involved." Yet the Minister of Labour rose on the floor of the house today and announced that the payments will be made retroactive and that the unemployed will receive what they rightfully deserve.

I should like to repeat one plea I have made before. I ask the Minister of National Health and Welfare to undertake a survey to ascertain how much it would cost to provide all the Canadian people with a comprehensive cradle to the grave social security program,

as has been advocated by the C.C.F. party for many years. Today we have family allowances, pensions for the blind, mothers' allowances, relief or, as it is sometimes called, social welfare, pensions for the handicapped, war veterans allowances, annuities, life insurance, fire insurance, hail insurance, crop insurance, car insurance, marine insurance, subsidies paid to this section of the population and that, and a system of unemployment insurance.

Now we are talking in terms of health insurance, and I think the next thing we will need is an insurance policy to save us from the many insurance agents flooding the nation. All this must surely involve terrific overhead costs for administration. From Conservative and Liberal governments we have obtained a piecemeal social security program. I deliberately place Conservative governments first because most social security legislation that has been placed on the statute books of Canada has actually been instigated by the Conservative party and not by the Liberals, as they so often say. The Liberal party program has always consisted of almost implementing something.

An hon. Member: What a socialist joker!

Mr. Regier: I am doing my best to make my remarks as brief as I can.

An hon. Member: That is good.

Mr. Regier: However, Mr. Speaker, I must appeal this year to the members of the house who come from the province of Quebec. I believe the Minister of Trade and Commerce is selling short the national interest of Canada. Deliberately or otherwise he has engaged in a terrific selling out of the national interest of Canada to the United States of America and, as my leader said in his opening speech this year, once you lose economic control how long do you expect to keep political control? I feel it is done unconsciously, and is the inevitable result of the policies of the Minister of Trade and Commerce. We are exporting our raw resources. We are living on money borrowed, and on our heritage which is rapidly being depleted.

In the city of Seattle, Mr. Speaker, a housewife can buy hydroelectric power manufactured in the province of British Columbia for less money than can the housewife in my constituency. Much could be said about our oil resources and our gas resources. The economic interests south of the border should shoulder much of the blame for the difficulties in our coal industry.

I should like to point out that there are more farmers in Canada who do not grow wheat than there are who do. These other farmers in Canada suffer continuously, and have suffered over a long period of years as the result of our worship of the United States production line. I must conclude now, Mr. Speaker, as I understand there is another member who would like to speak. While I should like to express my condemnation of the attitude of the Liberal party in taking half of the time in this debate, yet I feel that this individual is not at all responsible, so I should not take vengeance on him by using my full time.

I should like to end with one small plea to the Minister of Justice. I understand that the salaries of civil servants are under review at the present time. We have in Canada hundreds of penitentiary guards, and I wonder if the minister is aware that these guards earn less money than the average Canadian civil servant. They receive about the same rate of pay as the postman who delivers mail from door to door. In my estimation their salary plan is most undesirable. The Archambault commission recommended that the special responsibilities of these men be recognized and that they be put in a much higher category. You cannot expect to train penologists and interest men in that work by paying them what amounts to one of the lowest salaries in the Dominion of Canada.

I believe the case of these guards deserves special consideration, and when salary increases are being considered these men should be awarded a greater increase than the others. In addition, the other day there was a fire in one of the little houses along the wall of the Kingston penitentiary. The men in New Westminster complain about conditions there. In a modern city such as New Westminster the men have to stay in these houses which have no washroom facilities. I feel that is a disgrace in a city that has a modern sewage system. There is only a small coal and wood stove for heating purposes. With practically all the facilities and the technical help necessary right within the penitentiary walls, electric heaters could be installed in these houses to make life bearable for these men who have to stand watch for long hours. I hope the minister will consider that and not allow a flat across the board percentage increase for civil servants to be applied to these guards. I trust the minister will look after these men whom he hopes will save Canada a lot of money by reforming the inmates. I hope he will see that a little more incentive is offered to them.

Half these guards have other employment. One of the men who has been working for 12 years as a penitentiary guard spends all

his spare time forking manure for a mushroom farmer. I think that is a disgrace. The wages these men receive are entirely inadequate to support a family in decency.

Before I sit down I should like to summarize my main message. I again appeal to the Prime Minister. You have under your leadership a nation immensely wealthy in natural resources and a people second to none in the world. You are of French Canadian origin. Times are as good as they have ever been. No Prime Minister of Canada has ever had the opportunity you have. If you will supply the aggressive leadership needed for nationhood, Canada will become truly great. If you allow Canada to fall apart or her interests to be sold out to our friendly but huge neighbour to the south; if you allow Canada to disintegrate as you are allowing the Liberal party to disintegrate, our happy days may not last long.

Mr. Speaker: May I point out to the hon. member who has just resumed his seat that by virtue of standing order No. 28 he must address himself to Mr. Speaker. In the last few minutes, he has made me responsible for a good many things.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I am glad that the hon. member for Burnaby-Coquitlam (Mr. Regier) left me enough time to pronounce the benediction in this debate. And speaking of benediction, I see that he has applied for absolution, and they say that absolution is better late than never.

I am also glad to see that the hon. member for York South (Mr. Noseworthy), is in his seat. I am sorry to see that the hon. member for Dufferin-Simcoe (Mr. Rowe) is not, because I am going to pay a tribute to the lady members on both sides of the house. I noticed by the press that there is a woman in Toronto who thinks there are too many bald-headed men in parliament. As one of the balding-headed men, I thought I might rise on a question of privilege. We do need more women in parliament, but we do not need more women in parliament because of any bald-headed men who sit here. For instance, take the Minister of Labour (Mr. Gregg), who is not too well thatched in the upper storey.

Some hon. Members: Oh, oh.

Mr. Philpott: I mean outside. Only a year ago hon. members of the opposition were unanimously after his scalp, but see how successfully he has emerged. Not only has he come up with an equal pay for equal work bill, but today he has come up with amendments to the unemployment insurance regulations which have plugged one of the loopholes that have been discovered. I also see the thinly thatched hon. member for York South smiling, which indicates that he is glad because of the changes that have been made.

I want to pay my respects to the mover (Mrs. Shipley) and the seconder (Mr. Laflamme) of the address in reply to the speech from the throne. I must say that we on this side of the house are proud of our lady member. We are proud of the very valiant work she did, especially in helping those of us on this side who were in favour of equal pay for equal work. I think I would be most ungallant if I did not say that we also pay a real tribute to the hon. member for Hamilton West (Mrs. Fairclough), whose consistent advocacy of the equal pay for equal work bill helped to speed it up and get the government to adopt it. I had the great honour to speak in her favour; I had the great honour to vote for her bill each time in the last three years, and I must say, for what it is worth, that I myself fully intend always to support any good idea no matter from what quarter of the house it comes. I fully intend to support every good idea that comes from the opposition. The trouble is that in the three years I have been here there has been only one good idea emanate from the opposition benches, and that is the one that originated with the hon. member for Hamilton West.

If the truth be known, Mr. Speaker, the Tory men—I will exempt the Tory women—and the whole Tory party of Canada have had only one new idea in the entire twentieth century, and that was the Bennett buggy. If we are not careful we shall be back to Bennett buggies again before too many years have passed.

I have listened for many days to the things that are supposed to be wrong with the government. Did you notice, Mr. Speaker, the difference between this year and last year? Last year the rafters of this building literally rang with loud cries of anguish from the Tory benches about how the country was galloping to the dogs because of mass unemployment, and the loudest voice raised was that of the loud-voiced gentleman the hon. member for Broadview (Mr. Hees) who this afternoon, if you please, rose and said that Canada is at an all-time peak of prosperity. This is quite an admission from the hon. member for Broadview.

Therefore I say that my hon. friends immediately opposite, who are now crying similar blue ruin with respect to the temporary wheat surplus, may be just as incorrect as they were in the previous two years, and as the Tories were a year ago in regard to unemployment. In any event, I have listened

very carefully for ten full days to the speeches made by hon. gentlemen of the opposition, and with one exception I have yet to hear from the Tory benches, the C.C.F. benches, or the Social Credit benches one single suggestion to the government of Canada or the wheat board of Canada as to how they can sell one single extra bushel of wheat, or for that matter how they can even give away a single bushel of wheat, because no practical suggestion has been made except by one hon. gentleman, namely the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) who did make a practical proposition.

We have heard the question from the opposition benches, can the leopard change its spots? I submit that the Tory leopard has not changed its spots, because the only election they really won in this whole century on their own merits was the election of 1911, and they won it on the cry of "no truck or trade with the Yankees".

I sat back in this debate to the very end, hoping that the Tories would repent at last of the atrocious statement of policy which was made in this house two years ago by their official spokesman on international affairs, the hon. member for Prince Albert (Mr. Diefenbaker), who laid down in most explicit terms the proposition that we should not sell a single bushel of wheat or a single pound of butter to any part of the communist world, which is one-third of the world. So far as we have been able to hear, not a single member of the Tory opposition has risen in his place and suggested that this policy should be reversed. If I am wrong I hope they will correct me later on in the debate on international affairs.

Therefore, Mr. Speaker, when I say there has been no new idea put out by the Tory party in this century except the Bennett buggy, it seems to me I am on solid ground because, whereas in 1911 it was "no truck or trade with the Yankees", in the year 1956, and in the election of 1957 or 1958, obviously the Tory cry is going to be "no truck or trade with the communists"—one-third of the world—"no truck or trade with China, Russia, or the 100 million in the satellite countries who are held in servitude".

I say, Mr. Speaker, nothing has emerged in this debate, or anywhere else I have seen, to suggest that there is to be any change in the next election. Today the hon. member for Broadview talked about the Gallup poll. Well, it seems to me that just as in the last election when they galloped to their doom on the phony issue of horses on the payroll, today they are nosediving to disaster on the equally phony issue of the 15 unarmed Harvard trainers that Egypt is trying to buy.

If this government has and retains the confidence of the people of Canada and the respect of the people of the world, it is due to a very simple fact, namely that the Liberals are a peacemaker party, and our government has respect all over the world as one of the great, practical, peacemaking aggregations in the world today.

Let us look at what happened in the past year. We had no fewer than three cabinet ministers abroad on peacemaking missions. We had the Minister of Fisheries (Mr. Sinclair) in his own way doing a very fine job and, as it turned out, at considerable physical cost to himself. We had our past master peacemaker, the veteran Secretary of State for External Affairs who, for my money, is the most practical peacemaker in the whole world today. If it is true—and it is true—that we won a tremendous success at the United Nations in that so-called package deal, it was not entirely owing to the man to whom I intend to come in a moment. It was owing to the fact that for many, many years the Secretary of State for External Affairs had carefully laid the groundwork for the great success the Minister of National Health and Welfare (Mr. Martin) was finally able to bring about at Lake Success.

It seems to me that if the Minister of National Health and Welfare was able to obtain that tremendous victory at New York it was for two reasons. The first apparently is because he is also a practical peacemaker well worthy to sit beside the Secretary of State for External Affairs. But it was also because the Minister of National Health and Welfare in his own person represented what is the great opportunity of our time. He is both the man trying to make peace at New York and the man in charge of social welfare in Canada. When he struggled with all his might and with such great skill to get those 16 nations into the United Nations, I believe that what he was really thinking was this. If we can get peace in the world we can have in Canada higher old age pensions, better family allowances and, at the right time, health insurance; we can do all the things that have to be done when we get the full welfare state instead of the warfare state. But you cannot get the welfare state instead of the warfare state until you get real peace. The package deal was a great contribution to that state of peace.

I do not intend to try to keep the house beyond the time limit, but I will say this. I do not know at what time the people of

Canada will decide it is time for a change and time once again to try the same old Tory party with the same old Bennett buggies that we had in the thirties. If they so decide, it is all right with me. In the present Leader of the Opposition I think they will get as good a Tory prime minister as there has ever been since the days of Sir John A. Macdonald; but for my money I hope the people of Canada will allow the present prime minister, who is approaching his 74th birthday, to serve quite as long as did that grand old British oak, that great statesman Sir Winston Churchill, who served to the full age of 81.

I remember how well and how often my Tory friends on the other side of the chamber—including, I believe, my good and second oldest personal friend in the house, the Leader of the Opposition—applauded the fact that the great leader of the British Conservative party was able to serve to the grand and ripe age of 81. Perhaps in God's good grace and with the consent of the Canadian people a Liberal prime minister of Canada may serve to the great age attained by Gladstone, that grand old Liberal of Britain who served, I believe, until he was no less than 84.

We talk about the grand old British oak. I submit to you, Mr. Speaker, that there is about our hard Canadian maple one thing which makes it well worthy to stand beside that grand old British oak. The Canadian maple is never so glorious as it is in the autumn. Who knows but that in God's good grace the most glorious years of achievement of the present Prime Minister of Canada may be in the future seven years which would give him a service record equal in length to that of the grand old man of British politics.

In conclusion may I say, Mr. Speaker—

An hon. Member: Hear, hear.

Mr. Philpott: I am glad to note that the exuberant enthusiasm of the hon. member for Lethbridge (Mr. Blackmore) for my speech has caused him to utter that expression. Perhaps I have the identity wrong; nevertheless I am glad to note that I have caused the Social Credit benches to burst into expressions of ardent enthusiasm, because I am just coming to a Social Credit suggestion.

May I say, Mr. Prime Minister, that I do not share in any way the disrespect which the previous speakers have shown to the idea of a Canadian flag. I believe that you, sir, have done as much as has any prime minister of this century or any prime minister we have ever had to unify us on the idea of the British commonwealth. However, I think you could help to crown your great career by giving to Canada an official Canadian flag that Canadians of every nationality could respect and love.

I said I would deal with a Social Credit suggestion, and I shall do so. I think the best and most practical suggestion that I have yet heard on this question of a Canadian flag was made by the acting leader of the Social Credit opposition. I refer to the hon. member for Macleod (Mr. Hansell). In the debate a couple of years ago he suggested that, in connection with the next election, we should have a plebiscite enabling the people of Canada to choose from among several designs a flag of their own which every Canadian could love.

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

Some hon. Members: Question.

The house divided on the motion (Mrs. Shipley) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Gour (Russell)
Applewhaite	Gourd (Chapleau)
Arsenault	Gregg
Ashbourne	Habel
Balcom	Hanna
Batten	Harris
Beaudry	Harrison
Benidickson	Healy
Bennett	Hellyer
Blanchette	Henderson
Boisvert	Henry
Bonnier	Hollingworth
Boucher	Hosking
Bourget	Houck
Bourque	Howe (Port Arthur)
Breton	Huffman
Brown (Brantford)	Hunter
Brown (Essex West)	James
Bruneau	Jutras
Buchanan	Kickham
Byrne	Kirk (Antigonish-Guysborough)
Cameron (High Park)	Kirk (Shelburne-Yarmouth-Clare)
Cardin	LaCroix
Caron	Laflamme
Carrick	Lafontaine
Carter	Langlois (Berthier-Maskinonge-Delanaudiere)
Cauchon	Lapointe
Clark	Lavigne
Cloutier	Leduc (Gatineau)
Crestohl	Leduc (Jacques Cartier-Lasalle)
Dechene	Leduc (Verdun)
Decore	Lefrançois
Demers	Legare
Denis	Lesage
Deschatelets	Lusby
Deslieres	MacDougall
Dickey	MacEachen
Dumas	MacKenzie
Enfield	MacNaught
Eudes	Macnaughton
Eyre	McCann
Fairey	McCulloch (Pictou)
Follwell	McDonald
Fontaine	McIlraith
Fraser (St. John's East)	McIvor
Garson	
Gauthier (Lake St. John)	
Gauthier (Portneuf)	
Gingues	
Goode	

The Address—Division

McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Rochefort
Ross
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—149.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Bennett, Miss
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Green
Hahn
Hamilton (York West)
Hansell
Harkness
Hees
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Noseworthy
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—79.

[Mr. Speaker.]

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

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

That this house will, at its next sitting, resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

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

That this house will, at its next sitting, resolve itself into a committee to consider of the ways and means for raising the supply to be granted to Her Majesty.

Motion agreed to.

STARRED QUESTIONS

RETIRED CIVIL SERVANTS' PENSIONS

Question No. 1—**Mr. Knowles:**

1. Has consideration been given, at any time since the end of the 1955 session of this house, to increasing the pensions of retired federal civil servants, particularly those whose pensions are in the lower and middle brackets?

2. If so, what is the result of such consideration?

3. If not, is this matter now under consideration by the government?

Mr. Harris: Mr. Speaker, the answer to the first and third questions is no, and that renders an answer to the second one unnecessary.

CANADIAN NATIONAL RAILWAYS BASIC PENSION

Question No. 3—**Mr. Knowles:**

1. Has any provision yet been made for any increase in the pensions of retired employees of the Canadian National Railways who are in receipt of only the basic pension of $25 per month?

2. Has any reconsideration been given by the government, or by the management of the Canadian National Railways, at any time since February 23, 1955, to increasing the amount of the said basic pension? If so, what is the result of such reconsideration?

3. If no decision has yet been taken on this matter, is it now under consideration?

Mr. Marler: Mr. Speaker, the answer to each of the three questions is no.

UNEMPLOYMENT INSURANCE—CANADIANS EMPLOYED BY U.S. GOVERNMENT

Question No. 4—**Mr. Barnett:**

1. Have steps been taken since the end of the last session to provide unemployment insurance coverage for Canadians employed by the United States government and its agencies on Newfoundland bases?

2. If so, what are they and what coverage is now in effect?

3. If not, what steps are being taken to provide for such coverage?

Mr. Gregg: Mr. Speaker, the answer I shall give will apply to all three parts of question No. 4.

Negotiations have been initiated with the United States government and are continuing in the matter of providing unemployment insurance coverage for Canadian civilians employed in Canada by the armed forces of the United States. That, of course, includes the area mentioned in the question.

There are indications that a satisfactory solution of this problem will result from these negotiations. I hope to be in a position to make a more positive statement on this subject at a later date during this session.

BRITISH COLUMBIA—UNEMPLOYMENT INSURANCE FOR FISHERMEN

Question No. 5—**Mr. Goode:**

What progress has been made, since the last session of parliament, to bring into effect unemployment insurance for fishermen in British Columbia?

Mr. Gregg: Mr. Speaker, I was notified on the orders of the day of a question from the hon. member for Esquimalt-Saanich (Mr. Pearkes) in almost the same terms as this question. My reply, of course, shall apply not only to British Columbia but to the east and west coasts as well as to inland waters.

Hon. members will recall that this question was discussed at some length in the standing committee on industrial relations last session. Much of this discussion will be found from page 299 to page 326 of the minutes of proceedings of that committee. The Minister of Fisheries (Mr. Sinclair) and officials of his department appeared before the committee. During those discussions I think most of those participating reluctantly had to agree that it would be difficult to bring under the Unemployment Insurance Act those who are owners or are self-employed or who fish on a straight share basis. In view of this, it was felt that even if the remainder—approximately 7 per cent—who go out to fish, namely the wage earners, could be brought under the act and have their fishing employment count along with other employment toward benefits it would be unfair to the main body of the fishermen.

Consequently there was brought about something of a reorientation of the studies related to the whole fisherman group, whereby the Department of Fisheries undertook to explore every possible means of better stabilization of revenue on behalf of the self-employed and those on a share basis, and co-ordinated with that effort the unemployment insurance commission would make further efforts toward fitting the remainder, namely the wage earners, under the insurance plan.

I should add that during the past summer a senior officer of the commission made a firsthand investigation of the practices followed in the United Kingdom and in several European countries where fishing is an important industry. The commission's report on this investigation has not yet been received, but when it is it will be turned over for study.

MOTIONS FOR PAPERS

GREAT LAKES—ELIMINATION OF LAMPREYS

Mr. Murphy (Lambton West):

For a copy of all letters, resolutions and representations by municipalities or other organizations in Canada, brought to the attention of the government, and having to do with the lamprey menace in the great lakes, and the rehabilitation of fishing industry in the said lakes, especially trout fishing.

TRANS-CANADA PIPE LINE

Mr. Coldwell:

For a copy of all memoranda, correspondence, telegrams and other documents exchanged between the government of Canada and the government of any of the provinces, since January 1, 1954, regarding proposals for the building of a trans-Canada pipe line.

Mr. Howe (Port Arthur): Mr. Speaker, obviously the consent of the provinces will be required before communications from them can be tabled. As I should like to discuss the question of documents with the mover of the motion, perhaps it could be allowed to stand.

Mr. Speaker: Stand.

UNITED STATES WHEAT DISPOSAL PROGRAM

Mr. Argue:

For a copy of all communications exchanged between the government of Canada and the government of the United States from January 1, 1955 to December 31, 1955, relating to the United States wheat disposal program.

Mr. Pearson: Mr. Speaker, I hope this motion will also be allowed to stand subject to communication with the United States government, whose consent will have to be obtained before the correspondence can be brought down.

Mr. Speaker: Stand.

SOUTH SASKATCHEWAN RIVER PROJECT

Mr. Fulton (for Mr. Diefenbaker):

For a copy of all correspondence with the government of Saskatchewan since the 1st day of July, 1955, regarding the South Saskatchewan river dam and irrigation project together with any reports of engineers or other investigations as to the feasibility of this project.

Mr. St. Laurent (Quebec East): The hon. gentleman will recognize that there will have to be communication with the government of Saskatchewan before we can comply with the motion in this house.

Mr. Speaker: Is it the intention that the motion should stand or is it adopted subject to the remarks made by the Prime Minister?

Mr. Fulton: I understood that it would be adopted subject to the remarks made by the Prime Minister.

Mr. St. Laurent (Quebec East): Perhaps it would be preferable to have it stand, because if it were made an order of the house then it might have to be rescinded. Perhaps it would be better to have it stand until I can inform the mover of the motion that the consent of the government of Saskatchewan has been obtained.

Mr. Speaker: Motion stands.

EXPROPRIATION OF VETERANS' PROPERTY, B.C.

Mr. Goode:

For a copy of all correspondence, telegrams and other documents exchanged between the Minister of Veterans Affairs, the officials of the Veterans Land Act administration, Vancouver, and the province of British Columbia, from January 1, 1955 to date, regarding expropriation of property held by the veterans under the Veterans Land Act, on Patterson road, Richmond, British Columbia, said expropriation for approaches to the Oak street bridge.

Mr. Lapointe: In this case also it would be necessary to obtain the consent of the provincial authorities of British Columbia. However, I agree to the motion.

Mr. Coldwell: On a point of order, Mr. Speaker; this is something new, I think, that is creeping into our procedure, whereby we require the consent or authority of the provinces, in this case British Columbia. I feel it is merely a courtesy and I believe the remarks of the ministers, in case they create a precedent, should be so worded.

Mr. Goode: Speaking to the point of order, I would say that it would be most embarrassing to the government of British Columbia to allow me to have the production of these papers. If we continue this practice, some members might be refused by the provinces in connection with things that we should have at our disposal.

[Mr. Speaker.]

Mr. Speaker: Motion stands.

POST OFFICE BUILDING, WINNIPEG

Mr. Knowles:

For a copy of any sections or portions of the contract or contracts, respecting the construction of the new post office building in Winnipeg, which relate to any obligations or requirements that the contractors maintain work thereon at a progressive rate during the winter months.

DEER LODGE VETERANS' HOSPITAL, WINNIPEG

Mr. Knowles:

For a copy of any sections or portions of the contract or contracts, respecting the construction of the addition to the Deer Lodge veterans' hospital at Winnipeg, which relate to any obligations or requirements that the contractors maintain work thereon at a progressive rate during the winter months.

P.F.R.A. AND P.F.A.A. OFFICIALS

Mr. Diefenbaker:

For a return showing a list of all the P.F.R.A. and P.F.A.A. officials or field officers with their respective postal or home address, salaries and expenses paid to each of them during the year 1955.

Mr. St. Laurent (Quebec East): Perhaps this motion might be allowed to stand until the mover and the Minister of Agriculture are in the house.

Mr. Speaker: Motion stands.

CANADA HEALTH AND ACCIDENT CORPORATION

Mr. Knowles:

For a copy of any correspondence or communications exchanged between the superintendent of insurance and the Canada Health and Accident Assurance Corporation, Waterloo, Ontario, or its president, Mr. E. E. Putnam, or any director of the said corporation, dated at any time since January 1, 1955.

He said: The documents sought by the terms of this motion, Mr. Speaker, were tabled a few hours after I filed the motion. They were tabled in response to a similar motion that was passed by the house last year, so this motion can be withdrawn.

Mr. Speaker: Motion withdrawn.

BOX CARS

Mr. Argue:

For a copy of all letters, telegrams, or other communications since August 1, 1955, exchanged between the transport controller and any person, persons, company or companies, relative to increasing the number of box cars available for transporting grain.

BUSINESS OF THE HOUSE

Mr. Harris: On Friday, Mr. Speaker, we shall take the resolutions standing in the name of the Minister of Trade and Commerce with respect to wheat, No. 2 first and No. 3 second. Then if there is time we shall take the one standing in my name with respect to the Canadian Farm Loan Act. It is the intention of the government to set aside Tuesday and Wednesday for the debate on external affairs. We shall follow the device we used on previous occasions of having the Secretary of State for External Affairs move that the house be now adjourned, and by agreement that motion will be debatable and subject to amendment.

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:

MUNICIPAL GRANTS FOR SERVICES TO INDIAN RESERVATIONS

Question No. 3—**Mr. Murphy (Lambton West):**

1. For the four fiscal years ending March 31 last, and for the period since March 31 last, how many municipalities have received grants or payments under the Municipal Grants Act for reimbursements for services to Indian reservations within a given municipality in respect of services, such as roads, sewers, fire, police, etc.?

2. What are the names of such municipalities and how much did each receive?

Answer by: **Mr. Harris:**

1. Six municipalities.

2. Grants under the Municipal Grants Act in lieu of real estate taxes for services rendered to Indian reserves:

	During fiscal year ending March 31					
Name of Municipality	1952	1953	1954	1955	1956	*Total
Central Saanich, B.C. ...	$1,377	$ 724	$ 933	$ 986	Nil	$ 4,020
Delta, B.C.	492	286	202	422	Nil	1,402
Fredericton, N.B.	593	852	1,525	1,109	Nil	4,079
Kent, B.C.	783	994	526	818	Nil	3,121
North Vancouver, B.C. ..	1,717	1,009	306	Nil	Nil	3,032
Richmond, B.C.	85	110	54	51	Nil	300
	$5,047	$3,975	$3,546	$3,386	Nil	$15,954

*To date

APPLICATIONS FOR LOANS ON GRAIN

Question No. 12—**Mr. Diefenbaker:**

1. How many bank loans on farm-stored grain subject to government guarantees have been applied for in each province, week by week, since the inception of the plan in November last?

2. Of the said applications, how many have been turned down or refused?

3. What is the total amount loaned in each province to date?

Answer by: **Mr. Harris:**

1 and 2. As applications are made to chartered banks, the government has no record of the number of loans applied for and the number turned down or refused.

3. To November 30, 1955: Manitoba, $2,511,349.43; Saskatchewan, $1,768,034.50; Alberta, $633,897.50.

AID UNDER COLOMBO PLAN

Question No. 38—**Mr. MacInnis:**

1. Which countries received aid from Canada under the Colombo plan in the calendar year 1955 or the fiscal year 1954-55?

2. What amount of aid did each country receive and for what projects?

Answer by: **Mr. Pearson:**

Colombo plan records of allocations and expenditures are established on the basis of the fiscal year. The attached statements relate to the fiscal year 1954-55. The first statement shows the allocations to capital projects in each recipient country. The second statement covers the expenditures for experts, equipment and trainees under the technical assistance program.

Allocations to Capital Projects

India	
Steam locomotives for Indian railways	$10,400,000
Diesel generating units for rural electrification	2,500,000
TOTAL	$12,900,000
Pakistan	
Thermal station for use in the Ganges-Kobadak irrigation and power project in East Pakistan	1,814,000
Equipment and engineering services to assist in the construction of a transmission line between Dacca and Chittagong	4,000,000
Additional funds for the Warsak dam and hydroelectric generating station at Warsak northwest frontier of West Pakistan	2,000,000
Provision of aluminum and copper for developmental purposes. Rupee counterpart funds to the equivalent of the Canadian cost will be established and used in approved development projects	1,000,000
Additional funds to complete the cement plant at Daud Khel in the Punjab	1,250,000
Small extension to the aerial survey of West Pakistan	50,000
TOTAL	$10,114,000

Ceylon	
Wooden railway ties for Ceylon railways	200,000
3 diesel locomotives and spares	500,000
Electrical equipment for the Ratmalana international airport at Ceylon	$ 205,000
Agricultural equipment to the Gal Oya resettlement development scheme	210,000
Port equipment (cranes) for Colombo harbour	400,000
Flour supplied for the purpose of generating counterpart funds for use in financing part of local costs of rural road program and Mutwal fisheries harbour:	
Rural roads—flour	200,000
Mutwal fisheries harbour—flour	600,000
TOTAL	$2,315,000

Colombo Plan Expenditure On Technical Assistance
1954-55

Country	Experts	Trainees	Equipment	Total
Burma	$ 4,377.25	—	—	$ 4,377.25
Cambodia	17,807.86	$ 1,659.55	—	19,467.41
Ceylon	131,033.21	32,833.00	$20,542.14	184,408.35
India	14,434.31	96,338.04	38,355.25	149,127.60
Vietnam	—	4,313.20	—	4,313.20
Indonesia	9,761.88	54,542.10	—	64,303.98
Malaya	54,428.28	1,578.45	—	56,006.73
North Borneo	5,466.81	—	—	5,466.81
Pakistan	62,323.01	141,290.41	46,155.25	249,768.67
Singapore	—	8,540.56	—	8,540.56
Thailand	—	2,845.37	—	2,845.37
TOTAL	$299,632.61	$343,940.68	$105,052.64	$748,625.93

INDIAN SCHOOLS—TEACHERS

Question No. 42—**Mr. Diefenbaker:**

1. How many teachers are there in the Indian schools under the jurisdiction of the Department of Indian affairs branch of the Department of Citizenship and Immigration?
2. What is the initial salary received by such teachers, and what is the amount of the annual increase?
3. Are such increases automatic?

Answer by: **Mr. Pickersgill:**

1. As of December 31, 1955, there were 646 teachers employed in Indian day schools and 290 teachers employed in government-owned Indian residential schools. During the summer months 38 teachers were employed in seasonal schools.

2. A salary schedule is in effect for teachers employed in Indian schools and the initial salary receivable is dependent on the teachers' academic and professional qualifications and their teaching experience as well as the duties which they perform. Teachers with no teaching experience and no teacher's certificate, receive the minimum salary of $1,300 per annum. Teachers with first class certificates and five or more years of teaching experience receive an initial salary of $2,950 per annum. The amount of the annual increase ranges from $100 to $180 according to the classification and grade of the teacher.

3. Annual increases are not automatic. Increases depend upon satisfactory service and periodic attendance at summer school courses sponsored by a provincial department of education or a recognized university or equivalent courses in academic and professional subjects approved by the department.

HOUSE OF COMMONS

Thursday, January 26, 1956

The house met at 2.30 p.m.

MAIN ESTIMATES, 1956-57

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1957, was presented by Hon. W. E. Harris (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

STANDING COMMITTEES

Mr. W. G. Weir (Portage-Neepawa) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messrs:

Bourque
Bryson
Cardin
Carter
Cavers
Churchill
Dechene
Dickey
Ellis
Fraser (Peterborough)
Hollingworth
Leboe
Lefrançois
MacDougall
MacKenzie
McWilliam
Meunier
Nowlan
Pallett
Perron
Rea
Richard (Ottawa East)
Tucker
Valois
Viau
Vincent
White (Waterloo South)
Wylie
Zaplitny—29.

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Barnett
Batten
Bennett, Miss
Bonnier
Boucher (Chateauguay-Huntingdon-Laprairie)
Buchanan
Byrne
Campbell
Carrick
Carter
Cauchon
Cavers
Clark
Decore
Deschatelets
Dufresne
Dupuis
Ellis
Follwell
Gagnon
Garland
Gauthier (Lake St. John)
Goode
Gourd (Chapleau)
Green
Habel
Hahn
Hamilton (York West)
Harrison
Healy
Herridge
Hodgson
Holowach
Hosking
Howe (Wellington-Huron)
James
Johnston (Bow River)
Kickham
Lafontaine
Langlois (Gaspe)
Lavigne
Leboe
McBain
McCulloch (Pictou)
McIvor
Meunier
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nesbitt
Nicholson
Nixon
Nowlan
Purdy
Ross
Small
Viau
Villeneuve
Vincent
Weselak—60.

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Messrs:

Anderson
Balcom
Batten
Bennett, Miss
Blair
Brooks
Brown (Brantford)
Cameron (High Park)
Campbell
Carter
Decore
Dinsdale
Ellis
Enfield
Eyre
Fairey
Ferguson
Follwell
Forgie
Garland
Girard
Hansell
Hees
Houck
Hunter
Langlois (Berthier-Maskinonge-Delanaudiere)
Leduc (Jacques Cartier-Lasalle)
Lennard
Lusby
Macnaughton
Mang
Matheson
McCubbin
McCullough (Moose Mountain)
McWilliam
Murphy (Westmorland)
Perron
Pommer
Proudfoot
Regier
Reinke
Roberge
Roy
Simmons
Thomas
Weaver
White (Waterloo South)
White (Hastings-Frontenac)
White (Middlesex East)
Wylie—50.

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Anderson
Ashbourne
Balcom
Benidickson
Bennett
Blackmore
Cameron (Nanaimo)
Cannon
Cardin
Carrick
Crestohl
Dufresne
Dumas
Eudes
Fairey
Fleming
Follwell
Fraser (St. John's East)
Fraser (Peterborough)
Fulton
Hanna
Hellyer
Henderson
Hollingworth
Huffman
Hunter
Johnson (Kindersley)
Johnston (Bow River)
Macdonnell
MacEachen
Macnaughton
Matheson
Michener
Mitchell (London)
Monteith
Nickle
Noseworthy
Pallett
Philpott
Power (Quebec South)
Quelch
Richardson
Robichaud
Rouleau

Standing Committees

St. Laurent (Temiscouata)
Stewart (Winnipeg North)
Thatcher
Tucker
Viau
Weaver—50.

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Anderson
Applewhaite
Argue
Ashbourne
Balcom
Beaudry
Boisvert
Breton
Bruneau
Cameron (High Park)
Cannon
Cavers
Cloutier
Denis
Fulton
Goode
Hamilton (Notre Dame de Grace)
Hanna
Harkness
Hees
Henderson
Hollingworth
Holowach
Houck
Kickham
Kirk (Antigonish-Guysborough)
Laflamme
Leduc (Jacques Cartier-Lasalle)
Macdonnell
Maltais
McLeod
McWilliam
Menard
Mitchell (Sudbury)
Mitchell (London)
Monteith
Noseworthy
Nowlan
Pearkes
Pommer
Poulin
Power (St. John's West)
Proudfoot
Regier
Schneider
Thomas
Tucker
Van Horne
Weaver
Zaplitny—50.

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Anderson
Argue
Batten
Blackmore
Boucher (Chateauguay-Huntingdon-Laprairie)
Bruneau
Bryce
Byrne
Cardiff
Charlton
Clark
Decore
Demers
Deslieres
Diefenbaker
Dinsdale
Fontaine
Forgie
Gingras
Goode
Gour (Russell)
Harkness
Huffman
James
Jones
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Laflamme
Leboe
Legare
Lusby
MacKenzie
MacLean
Mang
Masse
Matheson
McBain
McCubbin
McCullough (Moose Mountain)
Menard
Michaud
Montgomery
Murphy (Westmorland)
Nicholson
Perron
Pommer
Proudfoot
Purdy
Quelch
Roberge
Robinson (Bruce)
Schneider
Smith (Battle River-Camrose)
Stanton
Studer
Thatcher
Villeneuve
White (Waterloo South)
White (Middlesex East)—60.

(Quorum—20)

STANDING ORDERS

Messrs:

Aitken, Miss
Buchanan
Carter
Denis
Fairey
Fontaine
Forgie
Green
Hanna
Harrison
Hollingworth
Knowles
Michaud
Monette
Quelch
Robinson (Bruce)
Rochefort
Van Horne
Viau
Winch—20.

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Barnett
Bell
Bennett
Boivin
Brisson
Bryce
Cameron (Nanaimo)
Cannon
Ferguson
Hahn
Hardie
Harrison
Henderson
Hodgson
Kirk (Shelburne-Yarmouth-Clare)
Kirk (Antigonish-Guysborough)
MacLean
MacNaught
Maltais
Matheson
McDonald
Nowlan
Patterson
Pearkes
Robichaud
Simmons
Stick
Stuart (Charlotte)
Thibault
Trainor
Weselak—35.

Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Brisson
Brooks
Buchanan
Byrne
Carter
Dickey
Dumas
Eyre
Garland
Gauthier (Nickel Belt)
Hardie
Harkness
Herridge
Hosking
LaCroix
Lafontaine
Leboe
Leduc (Gatineau)
MacLean
McCullough (Moose Mountain)
Mitchell (Sudbury)
Pearkes
Ratelle
Richard (St. Maurice-Lafleche)
Robichaud
Rowe
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Studer
Trainor
Valois
Van Horne
Weselak
Winch—35.

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Bell
Brown (Essex West)
Brown (Brantford)
Byrne
Cauchon
Churchill
Cloutier
Deschatelets
Dufresne
Fairclough, Mrs.
Fraser (St. John's East)
Gauthier (Nickel Belt)
Gauthier (Lake St. John)
Gillis
Hahn
Hardie
Hosking
Johnston (Bow River)
Knowles
Leduc (Verdun)
Lusby
MacEachen

MacInnis
Michener
Murphy (Westmorland)
Nixon
Philpott
Richardson
Ross
Rouleau
Small
Starr
Studer
Viau
Vincent—35.

(Quorum—10)

DEBATES

Messrs:

Balcer
Enfield
Hees
Jutras
McLeod
Meunier
Michaud
Nicholson
Power (St. John's West)
Purdy
Rowe
Simmons—12.

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Arsenault
Balcer
Bell
Boisvert
Breton
Cannon
Cardin
Coldwell
Crestohl
Decore
Diefenbaker
Fleming
Garland
Gauthier (Lake St. John)
Goode
Hansell
Henry
Huffman
James
Jutras
Knowles
Lusby
MacEachen
MacInnis
MacKenzie
Macnaughton
McMillan
Montgomery
Patterson
Pearkes
Richard (Ottawa East)
Starr
Stick
Stuart (Charlotte)
Studer—35.

(Quorum—10)

Mr. Weir moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house; and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

PRINTING OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Ashbourne, Bertrand, Blair, Boivin, Bonnier, Brown (Brantford), Bryson, Campbell, Cardiff, Charlton, Dechene, Dickey, Fairclough, Mrs., Fontaine, Gauthier (Nickel Belt), Gingras, Girard, Gour (Russell), Habel, Hansell, Healy, Hodgson, Houck, Howe (Wellington-Huron), Huffman, James, Johnson (Kindersley), Kickham, Langlois (Berthier- Maskinonge-Delanaudiere), Leduc (Jacques Cartier-Lasalle), Lefrançois, MacDougall, MacEachen, Maltais, Mang, McGregor, McIvor, McWilliam, Patterson, Pommer, Rea, Regier, Robinson (Bruce), Rochefort, Schneider, Simmons, Small, Smith (York North), Stanton, Stick, Thibault, Weaver, Wylie and Zaplitny, will act as members on the part of this house on the said joint committee on the printing of parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bertrand, Bourque, Brown (Essex West), Carrick, Castleden, Coldwell, Dechene, Dinsdale, Fairey, Fraser (St. John's East), Fraser (Peterborough), Gingues, Gourd (Chapleau), Habel, Hamilton (York West), Hansell, Hellyer, Henderson, Howe (Wellington-Huron), Hunter, Jones, Jutras, Kirk (Shelburne-Yarmouth-Clare), Knight, LaCroix, Leboe, Leduc (Gatineau), Legare, McCulloch (Pictou), McGregor, McWilliam, Philpott, Pickersgill, Ratelle, Reinke, Robinson (Bruce), Small, Smith (York North), Smith (Battle River-Camrose), Thibault, Tucker, Tustin, Weselak and White (Middlesex East), a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

IMMIGRATION ACT

AMENDMENT RESPECTING ACQUISITION AND LOSS OF CITIZENSHIP

Mr. H. A. MacKenzie (Lambton-Kent) moved for leave to introduce Bill No. 7, to amend the Immigration Act.

Mr. Fulton: Will the hon. member explain?

Mr. MacKenzie: Mr. Speaker, I assure the house that this amendment I have moved is not at all contentious. It is done with a view to trying to create among new Canadian citizens a little more citizenship consciousness. If hon. members will possess their souls in patience it will be in print in a day or two, and I think all hon. members will probably support it.

Motion agreed to and bill read the first time.

HEALTH INSURANCE

STATEMENT BY PRIME MINISTER AS TO FEDERAL ASSISTANCE

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, hon. members will recall that the federal-provincial conference in October established a committee of federal and provincial ministers of health and of

finance to study health insurance questions. This committee has been meeting here this week in camera, in accordance with the expressed desire of the provincial representatives at the conference.

I made a public statement of the general policy of the government on this subject at the opening of the conference in October. This has been furnished to all hon. members in the proceedings of the conference. The main point of that policy statement was that when a majority of the provincial governments, representing a majority of the people of Canada, are ready to put into effect programs to provide hospital care as a measure of health insurance under provincial jurisdiction and management, the federal government would recommend to parliament legislation to provide financial support and technical assistance to the provinces for such programs.

Constitutional responsibility in this field lies, of course, with the provincial governments, and we have no desire to interfere in their exercise of it, nor to urge any provincial government to take this major step in social policy before it feels prepared to meet the substantial administrative and financial problems which are involved. Provincial spokesmen have made quite clear, however, that they would expect parliament to provide some share of the finances required by a grant in aid, as was done in the case of other major social security and health programs.

Public opinion appears to support the view that it would be proper for the federal government to recommend such assistance. The government has not felt it could recommend assistance for only a few provinces to undertake this great social innovation, but if a majority of provinces, such as I have mentioned, are ready to embark upon it, and wish assistance, we feel it would be justified.

The discussions with the provincial representatives have now reached a stage where it seems desirable that the federal government should state the nature of the financial assistance it would ask parliament to provide under the circumstances I have described. This is desirable in order that provincial governments can estimate the amounts they would have to finance in undertaking a program along these lines.

I think it is appropriate that I inform the house, in general terms, of the nature of the proposed basis of assistance at about the same time that the Minister of National Health and Welfare, in an adjoining room, is informing the provincial representatives. He will be reporting in more detail upon these matters to the house at the first appropriate opportunity.

[Mr. St. Laurent (Quebec East).]

When a majority of the provinces, as I have mentioned, are ready to proceed we would recommend to parliament that it enact legislation to provide a grant to each province operating a hospital care insurance program. The amount of the grant would be a fraction of carefully defined shareable operating costs of hospital care, being 25 per cent of the per capita shareable costs in that province, plus 25 per cent of the average per capita shareable costs in Canada as a whole, multiplied by the population covered by the provincial program. The programs in which we would share would provide standard ward care.

This formula will leave a substantial incentive for economy and efficiency with each provincial authority, together with a large measure of federal assistance and equity in its distribution. It will mean that on the whole the federal treasury would bear about one-half of the net shareable operating costs of such programs of hospital insurance.

We would not propose under this legislation to share the costs of care for mental illness and tuberculosis, which provincial governments have traditionally provided and for the improvement of which parliament has already been providing grants under the national health grants program.

We are also prepared to include in our recommendation to parliament the addition to this hospital program of laboratory, radiological and other diagnostic services for patients outside of hospitals as well as in them. Already a start has been made toward these services under the national health grants program, and those who have studied the subject consider the provision of these diagnostic services to be a desirable step to take either before or along with a program of insurance for hospital care.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister a question in connection with the important announcement he has just made. If the agreement to which he has referred is reached at this conference or shortly thereafter, will the appropriate legislation be presented to parliament at this session?

Mr. St. Laurent (Quebec East): The question as to when legislation to implement the statement I have just made will be presented is something that will be considered in the light of circumstances as they develop further.

CRIMINAL LAW

CAPITAL AND CORPORAL PUNISHMENT—INQUIRY AS TO RECONSTITUTION OF JOINT COMMITTEE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I have a question for the Minister of Justice, but in the minister's absence perhaps I should direct it to the government house leader. Now that the debate on the address in reply to the speech from the throne is completed, may we expect an early reconstitution of the joint committee on capital and corporal punishment in order that this committee may conclude its important work?

Hon. W. E. Harris (Minister of Finance): My understanding is that it is the intention of the Minister of Justice to move that the committee be reconstituted.

Mr. Fulton: At an early date?

EXTERNAL AFFAIRS

ISRAELI-ARAB BORDERS—CANADIAN SUPPORT FOR INTERNATIONAL POLICE FORCE

On the orders of the day:

Mr. Leon Balcer (Three Rivers): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Is it a fact that the Canadian government has expressed its readiness to support the idea of creating an international police force to protect the borders between the Arabs and Israeli, as appeared in a news item in this morning's *Gazette?*

Hon. L. B. Pearson (Secretary of State for External Affairs): The answer is no; the question has not yet arisen.

STATEMENT ON SHIPMENT OF ARMS TO EGYPT

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, yesterday the hon. member for Eglinton (Mr. Fleming) asked whether in the shipment of spare parts of world war II type tanks which in his understanding were included in the shipments to Egypt—he was mistaken in this understanding—included any breech blocks. Later on he asked whether in approving the sale of spare parts of world war II type tanks to Egypt the government had taken into consideration the fact that the British tanks which found their way to Egypt via Belgium were complete except for breech blocks.

I assured the house yesterday that in any decisions pertaining to the export of arms from Canada all relevant factors were taken into consideration. With the permission of the house I should now like to amplify that answer, particularly in order to correct the misconception which the hon. member for Eglinton appeared to be labouring under, as reflected in his question.

In the statement I made on January 24 I gave the figures for arms exports to Egypt and to the other states in the Middle East. I explained that the Harvard trainers and spare parts were responsible for practically the whole of the Egyptian figure. I went on to say that the main items covered by the other figures in the report included tracks and spare parts for world war II type tanks. These tank parts were not authorized for shipment to Egypt, as the hon. member assumed. I wish to make clear now that the parts for world war II type tanks to which I referred were not destined for Egypt. I would also wish to add that the lists of such parts as were approved for export included no breech blocks.

STATEMENT ON SHIPMENT OF MILITARY EQUIPMENT TO SOUTH AMERICA

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I should like to refer to a question asked yesterday of the Prime Minister (Mr. St. Laurent) by the hon. member for Winnipeg South Centre (Mr. Churchill). The Prime Minister has asked me to answer the question. The question was as follows:

> Have any supplies of military equipment been sent to any South American country in the last two years?

The answer is, no permits were issued for guns, ammunition, or military weapons of any kind, or for military aircraft or military vehicles to South America. A considerable quantity of airframe and aircraft engine spares, and reconditioned engines and parts for military vehicles were export licensed. By no means all of these were necessarily for military use. It should be noted here that since 1954 Canada has become the only source of supply in the western hemisphere for spares for a type of engine in common use in commercial air transport throughout the world, namely the DC-3, and they would be included in those export permits.

The total value of permits issued in 1954 for all South American countries was $119,222, and in 1955 it was $577,231.79. These totals were divided between aircraft spares and vehicle engines and parts as follows: $292,328.29 for aircraft spares; $384,825.50 for vehicle engines and parts.

Inquiries of the Ministry

POWER

SAINT JOHN RIVER DEVELOPMENT—INQUIRY AS TO FEDERAL CO-OPERATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Has the government given consideration to the possibility of co-operating in the overall power development of the Saint John river system in New Brunswick?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish to thank the hon. member for having given me notice of this question.

Some hon. Members: Oh, oh.

Mr. Lesage: The hon. member did give me notice of his question yesterday, and I have studied the files. I can say that ever since the early plans for further development of power on the upper Saint John river began about ten years ago the federal government has been in close touch with the situation.

The federal government authorized the expenditures that made it possible for the Canadian section of the international joint commission to conduct an exhaustive survey which resulted in 1953 in the comprehensive report "Water Resources of the Saint John River Basin". On the basis of this survey the Tobique development has been completed, and the Beechwood project on the main river is now under way by the province.

All the way along there has been a constant exchange of views among provincial and federal technical and financial officials. These discussions appeared to indicate that the development to the end of the Beechwood phase could be carried out by the province of New Brunswick without jeopardizing its credit. It appears, however, that future developments in the province are likely to require additional power on a substantial scale. This larger future development has been represented to the federal government as likely to be beyond the capacity of the province of New Brunswick to finance on its own.

These matters were discussed at the federal-provincial conference last October. At that time it was made clear that provinces were at liberty to submit proposals with respect to provincial development programs, vital to the growth of the province and beyond the financial capacity of the province to bear. While Premier Flemming was here for the conference, we had a meeting together with some of his officials and officials of my department to discuss the power situation in New Brunswick. Since the conference the premier of New Brunswick has written to the Prime Minister and to me about the subject. In his letter to me Mr. Flemming said:

> New Brunswick would like to submit a suitable memorandum in connection with the matter mentioned at an early date.

The letters were dated October 20, 1955. I replied on November 1 saying:

> Such a supplementary memorandum from you covering the specific matters you have in mind would be of great assistance to me.

I have no doubt that there have been a great many matters engaging the premier's attention, and I have not as yet received the memorandum to which he referred. I am informed that one of his advisers indicated in a telephone call to one of the officers of my department on January 23 that the memorandum was currently under consideration by the premier, and I have no doubt it will be forthcoming shortly.

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to ask a supplementary question. Am I to understand from that statement that there will be no financial assistance as far as Beechwood is concerned, but that the government would be prepared to give financial assistance for the further development of the Saint John river?

Mr. Lesage: I have said and it has been known for some months that the Beechwood development could be carried out without jeopardizing the credit of the province of New Brunswick. That has been the case and it has been known for some months. As to future developments, I believe the statement I have made is quite clear to the effect that I am waiting for a memorandum from the premier of New Brunswick so we may give consideration in the cabinet to this request.

Mr. Brooks: Was that for financial assistance? I did not understand whether the minister stated it would be financial assistance or just technical assistance as far as his department is concerned.

Mr. Lesage: The words I used were both technical and financial assistance. As a matter of fact I do not know exactly what the request of the premier will be, but I expect it to be for both technical and financial assistance.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask the minister a supplementary question, of which it is obvious I could not give him previous notice. Would the government take exactly the same approach and point of view with

regard to the development of the water resources of the Columbia basin in British Columbia?

Mr. Lesage: I have received no request from the premier of British Columbia.

HEALTH AND WELFARE

REQUEST FOR CONSIDERATION OF MATERNITY GRANTS

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare or, in his absence, to the Prime Minister. Is the federal government prepared to share in the costs of the maternity grants advocated by the Liberal party in the Quebec legislature?

Right Hon. L. S. St. Laurent (Prime Minister): I know of no consideration being given here to maternity grants, and I was not aware that it was advocated in the Quebec legislature.

An hon. Member: Then increase the family allowances.

DOMINION-PROVINCIAL RELATIONS

INQUIRY RESPECTING ANSWERS TO LETTER OF PRIME MINISTER TO PROVINCIAL PREMIERS

On the orders of the day:

Mr. Leon Balcer (Three Rivers): I should like to ask the Prime Minister if he has received any answers from the premiers of the provinces to his letter dated January 6, 1956, on fiscal matters. If so, when will these letters be communicated to the house?

Right Hon. L. S. St. Laurent (Prime Minister): There have been five letters from four provincial premiers dealing specifically with the letter of January 6. In addition, the premier of British Columbia acknowledged receipt of it in a letter which also dealt with other matters. There is no objection to the tabling of these letters. I should like to advise the writers of the letters that the request has been made and that we should like to comply with it, and then lay the letters on the table.

IMMIGRATION

ALLEGED REFUSAL OF DEPARTMENT TO ADMIT SON OF THEODORE DETMERS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Citizenship and Immigration. Has the minister any comment to make on today's press report that, first, the department of immigration has refused the request of Theodore Detmers, a Dutch immigrant, to bring his 18-year-old son to Canada to join the rest of the family, the excuse given being that the youth is backward, although he is apparently employed as a bricklayer in Nijmegen, Holland? Second, would he also comment on the report that the department forced Mr. Detmers to sign a document that he would not reapply for the admission of his son to Canada?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I feel I should raise a point of order about the hon. gentleman's question. It is not that I do not know the answer nor that I have any desire to withhold the answer from the house, but it does seem to me, inasmuch as we have between 100,000 and 200,000 immigrants coming into the country every year, that if questions about individual cases are to be asked on the orders of the day there will be no time left for the other business of the house.

My second point of order, sir, because I have two, is that this question relates to a case many years old and it does not appear, therefore, to be within the meaning of urgency under the rules for questions on the orders of the day.

Mr. Speaker: I must say that I agree entirely with the point of order raised by the minister. There are many questions which should not be asked at this time. They could be dealt with by correspondence, by telephone calls or by visits to the department such as hon. members do make from time to time. I must point out further that a question must be so worded that it is not composed of three or four different parts. A member should not stand up and say first, second, third and fourth, as has happened on some occasions.

I am not referring particularly to the question asked by the hon. member for Oxford. I am speaking generally. It may be that if I had interposed previously as often as I should have, the hon. member for Oxford would not have followed today the bad example that has been set on earlier occasions.

NUMBER OF IMMIGRANTS IN 1955

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to ask the Minister of Citizenship and Immigration a question arising to some extent out of the point of order he raised. Is it not a fact that the number of immigrants who came to Canada last year is a great deal closer to 100,000 than 200,000?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I think that question

has already been answered in reply to a question the hon. member put on the order paper, and it seems unnecessary to take up the time of the house to answer the same question twice.

TRADE

STATUS OF NEGOTIATIONS WITH RUSSIA

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, a few days ago the hon. member for Eglinton inquired about trade negotiations with the Soviet union. During the visit to the U.S.S.R. last October of the Secretary of State for External Affairs the possibility of a trade agreement based upon the most favoured nation principle was explored. At that time it was agreed that further talks should take place in Ottawa. On November 1 the Canadian government invited the government of the U.S.S.R. to send a delegation to Ottawa for this purpose.

This delegation will be arriving in Ottawa at the beginning of next week and will be headed by Mr. S. A. Borisov, first deputy minister of foreign trade. The head of the Canadian group of officials in the negotiations will be Mr. Mitchell Sharp, associate deputy minister of trade and commerce.

FLOODS

SASKATCHEWAN—STATEMENT AS TO FEDERAL ASSISTANCE

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, yesterday the hon. member for Moose Mountain (Mr. McCullough) asked me whether I could inform the house of the amount of contribution the federal government will pay under the agreement with the government of Saskatchewan to which I referred yesterday.

No payments have been made and no claims for reimbursement have been submitted up to the present time. I understand that the officials of the Saskatchewan government are now processing the claims resulting from the floods of last spring, and that as soon as they have dealt with them they will no doubt submit a statement which at that time will give us the figure that would have to be recommended to the house in an estimate so the agreement for reimbursement may be carried out.

[*Later:*]

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question supplementary to the question I asked the Prime Minister yesterday. Can the Prime Minister inform the house why the government has retracted from its policy, as stated by himself, according to the *Leader-Post* of October 18, 1954, which stated that the government's policy was to treat every part of Canada on the same basis when disaster befell it? Can the Prime Minister explain to the house now why full consideration has not been given to the type of losses suffered by the people in the Saskatchewan floods?

Mr. St. Laurent (Quebec East): Mr. Speaker, I do not think that we are retracting from any position previously taken. We have endeavoured to treat the claims that came in from both the Saskatchewan and the Manitoba areas in the same way that other claims have been dealt with in like circumstances.

NATIONAL DEFENCE

INQUIRY AS TO PRICE OF 25-POUNDER AMMUNITION TO ISRAEL

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct to the Minister of National Defence a question in connection with the 25-pounder ammunition which was sold to Egypt, the delivery of which is now held up. What was the price per round paid for this ammunition?

Hon. R. O. Campney (Minister of National Defence): I think the hon. member should specify what ammunition he refers to which has been sold to Egypt. I have not heard of any.

Mr. Brooks: Israel.

[*Later:*]

Mr. Harkness: The 25-pounder ammunition to which I referred in my question a moment ago, Mr. Speaker, was that which it was stated last week had been sold to Israel. As the result of a slip of the tongue I believe I said "Egypt" rather than "Israel".

Mr. Campney: I am not aware that any 25-pounder ammunition has been sold to Israel recently. I cannot take responsibility for all the statements that hon. members choose to make or that newspapers choose to make.

Mr. Harkness: The statement was made by the minister.

Mr. Pearson: No such statement was made by this minister. However, a statement was made that this request for 25-pounder ammunition was now before the cabinet for consideration.

DIVE BOMBER TRAINING—STATEMENT AS TO USE OF CHIPMUNK AIRCRAFT

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, while I am on my feet may I refer to two questions that were asked recently. On Tuesday last the hon. member for Brandon-Souris (Mr. Dinsdale) asked two questions, the first of which was as follows:

Has dive bomber training, as was practised during world war II with Harvard aircraft, been discontinued or is it still continued as part of the training program?

The answer to that question is that dive bombing training as conducted during world war II was discontinued in the Royal Canadian Air Force in February, 1954.

The hon. member's second question was:

Has the Chipmunk aircraft not replaced the Harvard aircraft as a primary trainer?

In answer to that question I may say that, under arrangements now being introduced, Royal Canadian Air Force pilot trainees receive their first flying training on Chipmunk aircraft, but they still train later on Harvards in order to complete their basic training, so the Chipmunk cannot be said to have superseded or replaced the Harvard. Rather, it supplements it.

REPORTED USE OF BUTTER IN MILITARY ESTABLISHMENTS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Yesterday, on the orders of the day, the hon. member for Vegreville (Mr. Decore) asked whether margarine has been or is being extensively used in military establishments. The answer is no. The tri-service ration scale provides for the use of butter, a two-ounce ration per man per day, and does not provide for the use of margarine at all. Consequently, supply officers do not purchase and supply depots do not maintain any stocks of margarine.

What I have just said applies only to food supplies purchased by public funds. Where non-public funds are used, as in canteens, snack bars, etc., operated on behalf of service personnel, purchases are not subject to service regulations or control, and such funds, being private funds, may be used to make purchases of any commodities which the owner of the funds may desire.

POST OFFICE DEPARTMENT

THEFT AT VERDUN—STATEMENT AS TO AMOUNT STOLEN

On the orders of the day:

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, on Monday last the hon. member for Notre Dame de Grace (Mr. Hamilton) inquired as to the amount involved in the theft which had taken place at the post office in Verdun, Quebec, a week previously. I undertook to get the figures. The audit of the post office having been completed, I am informed that the total amount of theft was $19,530.78.

Mr. W. M. Hamilton (Notre Dame de Grace): Can the Postmaster General inform the house whether the Royal Canadian Mounted Police were called in to investigate the theft from the Verdun post office?

Mr. Lapointe: Well, I think it has been explained in the house previously, and I believe in answer to questions put in previous sessions by the hon. member for Notre Dame de Grace, that thefts from post offices are considered in the same way as any other criminal offences. Provincial and local police authorities are brought in and carry on investigations in co-operation with postal authorities. When it is found desirable to have the R.C.M.P. help and co-operate they are also asked to provide it but, as my hon. friend knows, the administration of justice is under the jurisdiction of the provincial governments.

REQUEST FOR REPORT ON LATEST ROBBERY

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to direct a question to the Postmaster General. Since the post offices in southern Ontario have been robbed from time to time, will he give the house a report on the latest robbery, which took place yesterday?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, I shall have to inquire. I am afraid I am not familiar with what took place.

Mr. Hodgson: Five in a row are quite a lot.

Mr. Lapointe: It is possible that my hon. friend knows more about it than I do, and he could inform the house.

NATIONAL PARKS

REQUEST FOR IMPROVED INFORMATION FACILITIES AT BANFF AND JASPER

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National

Resources. Has the minister received a request from Mr. H. R. Chauncey, president of the Canadian automobile association, asking for the co-operation of the federal government in providing more adequate tourist information facilities at Banff and Jasper national parks? If so, can the minister indicate whether or not such facilities can be made available in time—

Mr. Speaker: Order. The hon. member could first put his question and then hear what the minister says, and perhaps later come back with a supplementary question. It seems to me it is unfair to put a long question which may require a lengthy answer at this time.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): In reply to the question asked by the hon. member for Calgary South, I may say that I received Mr. Chauncey's letter this morning, but I was busy all morning attending the federal-provincial conference on health insurance, and therefore have not yet had time to consider the subject matter.

Mr. Nickle: Mr. Speaker, may I direct a supplementary question to the Minister of Northern Affairs and National Resources? In view of the urgency attached to the question raised by Mr. Chauncey, will the minister assure the house that at the earliest opportunity he will give an answer?

Mr. Lesage: As soon as I can, Mr. Speaker.

PENSIONS

REQUEST FOR INCREASE IN CANADIAN NATIONAL RAILWAYS MINIMUM PENSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport? In view of the action of the Canadian Pacific Railway in increasing its minimum pension, effective next week, to $60 a month at least to the age of 70, does the minister not think it is time the Canadian National Railways raised its minimum pension from its present figure of $25 a month?

Hon. George C. Marler (Minister of Transport): My attention has not been drawn to the action taken by the Canadian Pacific Railway, and I shall certainly not express any opinion on it until I find out what that action has been.

REQUEST FOR INCREASE IN PENSIONS OF SUPERANNUATED FEDERAL CIVIL SERVANTS

On the orders of the day:

Mr. John Pallett (Peel): Mr. Speaker, I should like to direct a question to the Secretary of State. Is the minister giving consideration to arranging for an increase of pensions of superannuated federal civil servants to bring those pensions more in line with the present cost of living?

Hon. Roch Pinard (Secretary of State): I shall have to take this question as notice. As my hon. friend knows, this also concerns the Minister of Finance, with whom I shall have to talk before an answer is given.

Mr. Knowles: We would rather have your answer.

SMALL LOANS ACT

AMENDMENT TO PROVIDE FOR A REDUCTION IN RATE OF INTEREST

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 3, to amend the Small Loans Act.

He said: Mr. Speaker, the purpose of this bill is to reduce the maximum rate that may be charged by small loan companies from 24 per cent to 12 per cent per annum. I believe the prevailing rate of 24 per cent per annum is fantastic, exorbitant and unnecessary and that it should be reduced. I moved a similar bill in this house last year and I was amazed at the amount of support the proposition I moved at that time received from one end of the country to the other. I think I can safely say that I have never proposed a bill or any other measure that received such widespread support. The support was not only prevalent throughout the country but I find it has been quite general amongst members of this house. I hope that we shall have a good discussion of this bill this afternoon so that the government will be able to learn the position of various hon. members and the position of the various parties in relation to the bill, and may use that information when it brings down an amendment to the Small Loans Act which I venture to hope will result in a substantial reduction in interest rates.

There are other amendments I might also have suggested to the Small Loans Act. The present ceiling on interest rates applies to loans up to $500. Certainly the purchasing power of a $500 loan in 1955 is very small compared to the purchasing power of a $500 loan in 1939 when the Small Loans Act was last amended. I might have suggested that the ceiling be raised from $500 to $1,500 or $2,000 but I have found previously that when a private member puts more than one idea in

a bill very frequently another hon. member, who for some reason or other is desirous of opposing the bill, will latch on to one part of the bill and indicate that if that one point were not there he would support the bill and that as far as the other part of the bill is concerned he is all for it. Therefore I have limited this bill to the simple proposition that an interest rate of 12 per cent should be the limit of interest charged by small loan companies. I have on the order paper another bill which I allowed to stand today which contains the proposition that interest charges throughout the country on all other credit should not exceed 12 per cent per annum.

As I said, I think an interest rate of 24 per cent per year is fantastic. I think it is incredible that in a country as economically strong as Canada a great many people—yes, I would even say millions of working Canadians—have to accept loans and credit bearing an interest rate or charge of 24 per cent. These high rates are not confined to loans advanced by small loan companies alone. Extremely high rates are charged by finance companies when one finances an automobile, a television set or some other item. Finance companies, however, as I have been able to find out, do not necessarily charge the highest rates that are charged on credit advanced in this country. Some of the greatest offenders in so far as the rates they charge are concerned are the big mail order houses. On the smallest purchase on their budget plans, Simpson's and Eaton's levy the fantastic charge of 54 per cent. It is true that as the amount of the instalment purchase increases the rate goes down but it goes down to only 15 or 18 per cent a year, depending on the type of item that is purchased.

From time to time I have read accounts of the interest rates that are charged in other countries. I have heard hon. members in this house refer to the exorbitant interest rates that used to be charged in nationalist China. On one occasion I heard an hon. member say that interest rates in that country having been allowed to go to 50 per cent or more contributed to the cause that resulted in the subsequent revolution in that country. I remember my personal reaction in the past when I read of these high interest rates in other countries. I said to myself, "I am glad I am living in Canada where such interest rates are seldom charged"; but after having seen the practice of small loan companies, finance companies and mail order houses in Canada I discovered that many rates charged here are almost as high. For that reason I am proposing that the house consider imposing a limitation of 12 per cent on such charges.

The Canadian who is financially well off and who has a high income does not have the same need for credit as the ordinary working Canadian. The former can go to a bank and borrow money at 6 per cent or perhaps 5 per cent without much trouble. The ordinary working people of this nation, regardless of whether they live in the city or on farms, are often required to pay fantastic rates when they borrow money or finance purchases. The legislation we now have is in effect class legislation and constitutes class distinction. It means that the people in low income groups who from time to time have the greatest need for credit are forced to pay exorbitant interest rates because of the laws of this country. I believe that any progressive democracy, any civilized nation, should take steps periodically to reduce the general rate of interest and to allow the ordinary working people of the country to obtain credit at reasonable rates.

In certain fields credit has been provided at reasonable rates by government legislation. We have a National Housing Act which enables a great many people to own their own homes, paying an interest charge of 5½ per cent. That is good legislation. We have the Farm Improvement Loans Act, which is another example, under which farmers can obtain credit at a rate of 5 per cent. That, too, is good legislation. There is, however, a vast field in which the people who must obtain credit have to pay the exorbitant interest rates I mentioned.

The amount of credit available in this country is steadily increasing. I have in my hand the latest Bank of Canada statistical summary which lists the amount of outstanding credit as at 30 September, 1955, as follows: Ordinary charge accounts $535 million, instalment credit through retail $300 million, instalment credit through finance companies $578 million, cash personal loans $790 million, a total credit of $2,212 million. If one made the assumption—and this might not be a good assumption—that each outstanding credit item amounted to a rather large sum, let us say $1,000, then these statistics show that 2,212,000 Canadians have obtained credit of one kind or another. The sum of $2,212 million in outstanding credit is just twice as high as it was four years before. I think we will all agree that in the future Canadians are going to use more and more credit; as our nation develops, as our country expands, the need for credit will increase. Therefore the value that will result from the step I am suggesting will be enormous today and will have even greater benefit as years go by.

I believe that the parliamentary assistant to the Minister of Finance (Mr. Benidickson

will be making a statement this afternoon on behalf of the government. I realize that the government is contemplating some amendments to the Small Loans Act. I am hoping that the government will allow this debate to continue, that no member of the government will move the adjournment of the debate and endeavour to use the parliamentary majority of the government to close off the debate.

I believe that this subject is of great importance to the people of Canada and I think whatever steps the government intends to take in the way of amending the Small Loans Act are bound to be important. Since this matter is now before parliament for debate I think the government, before it presents its own legislation to amend the act, should have the benefit of the views of members of parliament, which views would at least to some extent reflect the opinion of Canadians generally. The government would then be in a better position to decide what improvements it is prepared to make in the act. Therefore I am asking the government not to use its parliamentary majority to close off the debate, to throttle the discussion, but rather to allow this debate to continue just as long as any hon. member has a contribution which he wishes to make.

As I have said, the importance of credit in this field has been growing. I have some figures that show how rapidly this field has been expanding. In 1941 the small loans companies reported an interest income of $1,642,000; in 1954 their interest income had increased to $17,205,000, or an increase of almost 1,000 per cent in the relatively short period of 13 years.

The field is expanding and becoming of growing importance and therefore we should be considering whether the rates charged today are exorbitant and could be reduced. The small loans companies have one basic argument on which they hinge their whole case for a high rate of charge. They say that they are in a high risk business, that they are making loans that entail a great deal of risk. I would assume that if the loans entail a great deal of risk they must entail a great deal of loss, but the fact is that the figures produced by the small loans companies in Canada show that the loss inherent in making their loans is very small.

As a matter of fact the reserve for bad debts set up by the small loans companies amounts to just ·26 per cent, or just one-quarter of one per cent. Judging from their collections, judging from the amount of loss, judging by the reserve for bad debts that set up—there are very few bad debts—there would seem to be very little risk in this business.

[Mr. Argue.]

Their profits are large, I would say they are fantastically large. In a country where many corporations and companies make large profits I imagine the small loan companies make greater than average profits. According to the evidence given before the banking and commerce committee in 1954 their average interest charges amount to 23·43 per cent, and out of that they had a profit of 9·35 per cent before income tax. In other words, on their interest income, the income from the charges they make, they had profits of almost 40 per cent. Their profits are high and they act in the business world as though their profits were high.

They spend a good deal of money on advertising, on high-pressure advertising campaigns to attract people into their offices to make loans. The banks generally have not got into the field of small loans as they should, but one bank has done a relatively good job in this field.

The Canadian Bank of Commerce has been in this field, of making small loans, I believe since 1936. Their average interest charge is not 23·42 per cent, it is less than half, or just 10·43 per cent. That is well within the 12 per cent provided for in this bill.

The experience of the Canadian Bank of Commerce in the small loans field is that it has not lost money but has made a good deal of money. Its operating profit before income tax was 2·48 per cent. The small loan companies say that in their field the risk is very high, but the Canadian Bank of Commerce has found that its risk is not too high. It had set up a reserve for bad debts of ·47 per cent.

The Canadian Bank of Commerce has been able to operate in this field with an interest rate of less than half that charged by the small loans companies. Before the amendment to the Bank Act last year by which banks were allowed to take chattel mortgages, before they could get that type of security their reserve for bad debts was only ·47 per cent, and yet they were able to make a most satisfactory profit.

They have been able to do business more efficiently than the small loans companies. Take the item of salaries for example. The Canadian Bank of Commerce needed only 2·81 per cent for this item as compared with 5·68 per cent for the small loan companies. In other words the Canadian Bank of Commerse saved 2·87 per cent in salaries.

In advertising, the small loans companies spent 1·19 per cent as compared with ·03 per cent spent by the Canadian Bank of Commerce, a saving by the Canadian Bank of Commerce of 1·16 per cent. The cost of

funds was 2·09 per cent in the case of the Canadian Bank of Commerce, whereas it was 3·07 per cent, which is understandable, in the case of the small loan companies. In that item the Canadian Bank of Commerce showed a saving of ·98 per cent.

Take the item of operating profit before income tax. In the case of the small loan companies it was 9·35 per cent, an exorbitant profit, while the profit of the Canadian Bank of Commerce was 2·48 per cent. They were able to show a saving in that item of 6·87 per cent. Adding up those items we find that the Canadian Bank of Commerce showed a saving of 11·88 per cent over the small loans companies, which would allow an interest charge of 11·55 per cent to give the substantial profit I have referred to already.

As I have said, the small loan companies claim that they have a great risk. I have in my hand a booklet called "Consumer Instalment Loans", which came to my office a few days ago. It is issued by the Niagara Finance Company Limited and seeks to persuade those people who may read it to the Niagara Finance Company's point of view as regards the business of small loans. It contains this statement:

> The non-repayment risk is higher than that on most bank loans.

I have already stated that the reserve for bad debts set up by small loan companies, in this high risk field, is ·26 per cent. The Canadian Bank of Commerce operates in this field and does the same type of business. To substantiate the claim that it is the same type of business and has the same risks in lending to people in the same income group and so on, I read from page 590 of the report of proceedings of the banking and commerce committee of 11th May 1954 a statement by Mr. Neil J. McKinnon, general manager of the Canadian Bank of Commerce. He said:

> I believe we are satisfied that we are in the field in the same sense that the small loan companies are. We believe that we are doing a similar type of business for which we are endeavouring to offer facilities at one-half their rates.

The Canadian Bank of Commerce has had excellent experience in this field. On this point, the following statement is made on page 816 of the report of proceedings of the banking and commerce committee, alluding to the amount of risk entailed in making loans in this field:

> The reserve for bad debts should be considered in relation to the actual loss experienced. From the inception of the plan until October 31, 1953, the total of loans written off was $380,378, of which $157,058 was subsequently collected leaving a net loss of $223,320. This is approximately ·10 per cent of the total loans made—$248,461,909.

In other words, over a period of 16 years, the Canadian Bank of Commerce has been able to operate in the small loans field with losses of ·10 per cent doing precisely the same kind of business as is done by the small loan companies, and for which the small loans companies make charges of 24 per cent. Is it a risky business? The figures show that it is not a risky business and that the losses are indeed small. The Canadian Bank of Commerce went on to say this:

> The reserve charged against earnings for bad debts has been reduced at intervals in accordance with experience gained and has been established at ¼ per cent of funds employed for the current fiscal year.

In other words, the reserve for bad debts now set up by the Canadian Bank of Commerce is ·25 per cent, almost identical with the reserve for bad debts set up by the small loan companies of ·26 per cent. Therefore I say that banks in Canada, if encouraged by the government or perhaps even if they would undertake this kind of business without such encouragement, could go a long way to occupying this field at rates that are reasonable.

When the argument is advanced that, if the rates that may be charged by small loans companies are limited to 12 per cent, you are going to drive them out of the field, I do not believe it. I do not believe the statistics show that they would suffer a loss or that they could not trim their business practices so that they could still make a profit. However, if the charges were limited to 12 per cent and if the small loan companies then said they had to vacate that field, we should be prepared to let them vacate that field and forever cease fleecing the Canadian public with these high interest charges.

We could not as a responsible parliament merely limit the interest rates that could be charged by the small loan companies if that put them out of business and there was no one else in the business that could provide this service and the credit that is necessary. I am suggesting to the government it should take one further step. We already have a good precedent for that step. I refer to the very happy experience of banks, farmers, fishermen and the government in connection with the Farm Improvement Loans Act and, more recently, the loans act with regard to fishermen. Since the Farm Improvement Loans Act began operating in 1945—that is for a period of 10 years from 1945 to 1955—$541 million was loaned under that act. The government's aggregate guarantee is 10 per cent. Therefore the aggregate guarantee is over $50 million. Were the losses $50 million or anywhere near it? No. The losses have amounted to only $149,814. In other words,

the federal government has had to pay out of the amount of its guarantee under the Farm Improvement Loans Act, 1/350 of the total guarantee. In other words, the amount that has been paid up to date is almost negligible. I wish to point out, of course, that all outstanding loans have not yet been paid, but nevertheless I do not think any hon. member of this house will say that when the present loans have been finalized the cost to the government will be anywhere near its total guarantee or, for that matter, will be many more times the very small guarantee that has already been paid.

I believe that 12 per cent is still too high. I know of no reason why ordinary Canadians who want small loans, who want to buy articles of furniture, who want to buy automobiles, who need money to pay doctors' bills or hospital bills, and so on should be charged even the high rate of 12 per cent when statistics and records show that the risk in this field is very small. I would like to see the interest rate at not 12 per cent but six per cent or five percent, the rate that has already been established under the Farm Improvement Loans Act. I am suggesting that if necessary the government should be prepared to pass an act parallel to the Farm Improvement Loans Act—it might be called a family welfare loans act—under which the federal government might make a 10 per cent guarantee to the banks as it does now under the Farm Improvement Loans Act, with the measure of risk so small that the Canadian Bank of Commerce has set up a reserve for bad debts of just ·25 per cent. The government, by such action and by the payment over the years of a very tiny sum of money, would save working Canadians in the future hundreds of millions of dollars and would remove millions of Canadians from the necessity of paying exorbitant charges of 24 per cent to loan companies which themselves are now acting as sharks in the small loan field.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, as the hon. member for Assiniboia has said, this bill in similar form was introduced late in the last session. At that time, it was indicated that it was unlikely that we could have through utilization of a parliamentary committee the type of public discussion that has in the past usually attended any amendment or legislative action with respect to this subject. But it was indicated it would be likely that during the present session of parliament this legislation would receive attention and possibly amendment. Hon. members will recognize that the speech from the throne has confirmed the fact that during the present session of parliament certain amendments to the Small Loans Act will be introduced by the government.

I do not intend any discourtesy to the hon. member, to any opposition members or to private members generally when I suggest that there might be a more appropriate time to debate this subject as a government measure. I am going to propose that the debate be adjourned. I think there are many advantages in so doing.

Certainly it is obvious to all private members of all parties in the house that the order paper already contains something in excess of 40 items sponsored by private members. Under the rules the time for discussing these items is rather limited. On the other hand, if we are to have soon a bill sponsored by the government which will receive consideration in a parliamentary committee, I think hon. members will recognize that adjournment and postponement of the debate at this time would avoid repetition and in my opinion assure a more orderly discussion of the subject. Therefore I move the adjournment of the debate.

Mr. Argue: Shame! The guillotine!

The house divided on the motion (Mr. Benidickson) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Gauthier (Nickel Belt)
Applewhaite	Gauthier (Portneuf)
Arsenault	Gingras
Ashbourne	Gour (Russell)
Balcom	Gourd (Chapleau)
Batten	Gregg
Benidickson	Habel
Bertrand	Hanna
Blanchette	Hardie
Boisvert	Harrison
Bonnier	Hellyer
Bourget	Henry
Bourque	Hollingworth
Breton	Hosking
Brisson	Houck
Bruneau	Howe (Port Arthur)
Buchanan	Huffman
Byrne	Hunter
Campney	James
Cannon	Jutras
Cardin	Kirk (Antigonish-Guysborough)
Caron	
Carrick	Kirk (Shelburne-Yarmouth-Clare)
Carter	
Cauchon	Laflamme
Clark	Lafontaine
Cloutier	Lapointe
Crestohl	Leduc (Gatineau)
Decore	Leduc (Jacques Cartier-Lasalle)
Deschatelets	
Deslieres	Legare
Dickey	Lesage
Dumas	Lusby
Eudes	MacDougall
Eyre	MacEachen
Fairey	MacKenzie
Follwell	MacNaught
Fontaine	McCulloch (Pictou)
Gauthier (Lake St. John)	McIvor

McMillan
McWilliam
Maltais
Marler
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—125.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Bennett, Miss
Blackmore
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fulton
Green
Hahn
Hamilton (Notre Dame de Grace)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
McGregor
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nickle
Noseworthy
Pallett
Patterson
Pearkes
Perron
Quelch
Regier
Robinson (Bruce)
Rowe
Small
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—74.

MOTIONS FOR PAPERS

FARM-STORED GRAIN—ADVANCES

Motion No. 4—**Mr. Argue:**

For a copy of all correspondence, letters and telegrams, from August 1 to December 31, 1955, exchanged between any department of the government and any person or persons with respect to advance payments on farm-stored grain.

Mr. Howe (Port Arthur): There are thousands of pieces of paper reflecting on this question. It would save a great deal of work if my hon. friend would examine them in the office, or if he would select the ones he wants tabled. I do not think he wants all of them tabled; it would be very expensive for the government.

Mr. Speaker: The motion will stand in the meantime?

Mr. Howe (Port Arthur): Perhaps it could be passed with that understanding.

Mr. Argue: That is agreeable, Mr. Speaker.

Mr. Speaker: Motion agreed to.

EXPORT OF WAR MATERIALS TO MIDDLE EAST

Motion No. 11—**Mr. Stewart (Winnipeg North):**

For a copy of all export permits for aircraft, trucks, and other equipment, armaments and munitions of war of any type, to the Middle East, from January 1, 1955 to date.

He said: In view of the fact I have received the information I wanted, I will ask that this motion be dropped.

Mr. Speaker: Dropped.

POWER—FRASER AND COLUMBIA POTENTIALS

Motion No. 14—**Mr. Fulton:**

For a copy of all letters, memoranda, contracts, communications or instructions exchanged between the dominion government or any department or agency thereof and any other person or body, since the 1st January, 1955, concerning an investigation of the power potential of the Fraser river and/or the Columbia river and/or the feasibility and effects of the Columbia river diversion.

Mr. Lesage: May I ask the hon. member whether he would allow this motion to stand? I would like to have some information about the documents referred to in the motion, which I have not been able to get yet. I hope to be in a position to have all of the information that I need next week. I will appreciate it if the hon. member would allow the motion to stand.

Mr. Fulton: Apparently the notice I have given of this motion has not been quite as effective as the notice given yesterday by the hon. member for Gloucester (Mr. Robichaud). Therefore I will allow it to stand.

Mr. Speaker: Motion stands.

Education

EDUCATION

PROVISION OF NATIONAL SCHOLARSHIPS AND BURSARIES

Mr. A. H. Hollingworth (York Centre) moved:

That, in the opinion of this house, the government should consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need, in so far as the subject matter of this resolution is within the competence of parliament.

He said: Mr. Speaker, it is with great pleasure that I move this resolution. I would hope for support worthy of the motion from all sections of the house. One can observe in this House of Commons hon. members who have played and are still playing a distinguished role in the field of education in Canada. One might mention the Secretary of State for External Affairs (Mr. Pearson), who is chancellor of Victoria College at the University of Toronto, or the Minister of Labour (Mr. Gregg), who has been president of the University of New Brunswick, or the hon. member for Greenwood (Mr. Macdonnell), who is chairman of the board of trustees of that noble seat of learning, my own Queen's University. This house is studded with Rhodes scholars and with other scholarship winners and gold medalists. The list is indeed impressive. We have former school teachers and university professors sitting in all sections of the house. I shall therefore assume at the outset that I shall receive a sympathetic hearing.

The purposes of this resolution are twofold; first, to provide financial assistance for students who have embarked, perhaps hazardously and with uncertainty, on a university career, and who might otherwise have to quit their studies for lack of money; second, to enable school graduates to attend university by providing financial assistance.

I should like at the outset to pay tribute to those private members who have in the past spoken on this or allied proposals, and I refer particularly to the hon. member for Saskatoon (Mr. Knight) and the hon. member for Victoria, B.C. (Mr. Fairey), both of whom are distinguished educators. I think all hon. members will attest to the desirability of some form of specific federal assistance, provided that such assistance does not impinge upon the provincial jurisdiction in the field of education.

That, of course, has been the great difficulty with federal aid. It would mean assistance in the general field of education, which is proscribed by our constitution, the British North America Act. It would be unconstitutional, since general education comes within the exclusive jurisdiction of the provinces, as set out in the said act. That is the reason the federal government cannot provide grants holus-bolus to the provinces for education. For example, the federal government cannot say to the province of Ontario, here is a grant to hard-pressed North York township for its schools.

It follows, therefore, that any aid must not infringe upon or violate or interfere with provincial jurisdiction and control. It would appear that the answer may be found in the fact that although the federal government will not come into the general field of education, nevertheless it is willing and is receptive to assisting in specialized fields as for example, vocational training, D.V.A. student assistance and student aid. The purpose of this resolution today is to discuss a plan for more student aid. That is why I say my resolution is constitutionally unimpeachable, and hence should be acceptable unreservedly even to those who are the most zealous custodians of provincial autonomy.

I will point out to hon. members shortly how legislation in existence at the present time and jointly administered provincially and federally may well be the method of carrying out the request I am raising.

I should like to advance several reasons, Mr. Speaker, why my resolution would be not only desirable but obligatory if this country is to go on to its destiny. It might be desirable, however, at this point to mention briefly why the university is so important to our Canadian way of living.

It is almost unnecessary for one to extol the role of the university in our lives. The university is a force of incalculable good in a technological age. It has played a powerful and important role in shaping the destiny of Canada. The university is one of the founts of freedom. As I see it, the function of the university is to teach its students to think, to probe, to inquire, to elucidate, to inspire. It should be a forum for dissent, if need be, and not a stronghold of uniformity and orthodoxy, for the latter may inexorably snuff out the smouldering coals of creative ideas and thought and endeavour.

Let us be clear at the outset that these bursaries are not for the brilliant students of independent means. Such bursaries and scholarships as I propose would be all-embracing for the students who need financial assistance. One readily knows the importance of engineers, scientists and technicians to this great nation, whose mineral potential has scarcely been scratched; whose power resources are limitless both with regard to water and atomic energy and whose manufacturing potential is as yet in its early stages.

I am one who believes that the humanities and the arts are just as important as the sciences. Canadian universities have not neglected the humanities; in fact, I believe our Canadian educational system, of which the universities are an integral part, accounts in part for the maturity of the Canadian people and possibly indicates also why the virulent seeds of McCarthyism with its attendant hysteria and obscurantism have never managed to take root in the Canadian soil.

Many reasons could be cited for the desirability of my resolution. On a large canvas it may be affirmed that greater assistance to needy university students is a priceless investment in young Canadians and in Canada. As the Prime Minister said at McMaster University on October 20, 1955, when he received the honorary degree of doctorate of laws:

> The object of higher education and especially education in the arts and humanities is to teach us to think clearly. At no time in history has it been so important to think clearly when man's ability to destroy himself seems at times to have outstripped his ability to solve the problems which arise between him and his fellow men.

The whole concept was tried out on a large scale with D.V.A. students after the war. It worked magnificently. Many went into universities and the professions who would not have otherwise been able to do so. I dare say there are quite a number of such graduates in this house today.

The economic and financial barrier of education restraining many who were financially embarrassed was swept away. An interesting study at the University of Toronto revealed that the servicemen who passed through Varsity cut across all social and economic groups; and education, which ordinarily was for the families of wealth and for those from the professional and mercantile groups, was extended to those from the families of skilled, semi-skilled and even unskilled workers. Truly this was democracy in action.

The D.V.A. program was expensive, very expensive; from 1942 to 1955 somewhere in the neighbourhood of $220 millions were spent for vocational and university training, or an average of over $16,900,000 per year. I do not know how much of this sum was expended in assisting students through university. What I do know, however, is that it did not take the Department of National Revenue too long to collect this sum in income taxes from D.V.A. graduates. It certainly follows that revenue from personal income taxes will be greatly increased as more university graduates go out into Canadian life. University graduates become the architects, the engineers, the doctors, the dentists, the lawyers and are now sought for executive positions in industry. This scheme therefore makes admirable sense from a national investment point of view. The federal government is vitally interested in the training of university personnel. Hon. members will note the number of top notch civil servants employed in government service and in important research bodies like the national research council, for example, who are university graduates.

It would appear that university education is practically necessary for almost any form of personal advancement and indeed, as I say, must be freely available if the best qualified are to hold key positions in Canadian society. At the present time stringent financial barriers do exist. Principal James of McGill University pointed out that in 1952 only 3 per cent of Canadian youth attended universities in Canada whereas 15 per cent attended universities in the United States. An editorial in the Ottawa *Citizen* of January 23, 1956, states that the Canadian university population has now increased to 7·2 per cent. In Australia students registered in degree granting courses in 1952 numbered 21,005 and of this number 7,000, or 33 per cent, received government aid. When one compares the Canadian average with the average in these other countries our position really is shocking. Canada is, I believe, the fourth largest trading nation in the world; we are proud, and justly so, of our national development. Our voice, our opinions, are respected in the councils of the world. And yet it appears that the Canadian university student is certainly the underprivileged legatee of our nation's most cherished traditions. Mr. Speaker, this imbalance must and will be corrected. A large number of those students who do attend Canadian universities live in the town or city where the university is located.

I had an interesting experience recently in this connection. I attended commencement exercises at one of the collegiate institutes in my riding and found that a majority of the graduates were attending university. On making further inquiries of one of the teachers I found out that these young men and women were able to attend university because they lived at home. This surely points out the need for assistance to those who do not live in a university city or town. Dr. Sidney Smith, president of the University of Toronto, put it very succinctly on January 21, 1955, when he said "It will be increasingly difficult for the boy in Swastika and Sioux Lookout to enroll, as a result of the latest fee increase. It will be a tragedy if universities become places where only the students who live near them are able to attend."

It has been pointed out that other students who attend university subsequently leave for

reasons that are basically financial, and here you might include those who fail because of the strain of doing full-time work at the same time as studying.

Without doubt there has recently been a substantial increase in the number of students who are attending university. The national federation of Canadian university students, whose efforts have been tireless and even magnificent in promoting bursaries, represents over 50,000 students at more than 20 Canadian universities. Officials of this body informed me that a sum averaging from $1,000 to $1,200 is required to pay for fees and board and room for a year's attendance at a Canadian university or graduate school. As a student is unlikely to earn more than $600 in the summer season, it would seem imperative that the bursaries range in amount from $300 to $500. At the present time most bursary aid is rarely available in amounts of more than $250, and even this is high.

I stated earlier that the federal government is willing to assist in specialized and special fields. I should like to point out to hon. members that vocational training is now consolidated under the Vocational Training Co-ordination Act, which is broken down into four agreements with the provinces for sharing costs under this act. The act, of course, is administered by the federal Department of Labour. The agreements are as follows: (1) vocational correspondence course agreements, (2) the apprenticeship training agreement, (3) the vocational schools assistance agreement, and (4) the vocational training agreement. The latter is broken down into training for the disabled, for the armed services, for the unemployed employables, and student aid. In this resolution I am concerned with the latter. The vocational training agreements were allocated $1,342,000 in 1954, out of which student aid received only $309,000. The allocation is still frozen at this amount. The total training program which I have cited above received an appropriation of $4,300,000 in 1954 and the percentage student aid received therefore is only about 7 per cent. My submission would be of course that this student aid should be increased substantially.

I mentioned that conceivably the present system could be enlarged upon. I think it is indeed unfortunate that it was not generally known that there is a system already in existence which is producing splendid results within its limitations. How does the present system then work with regard to student aid? Briefly, the federal government gives direct aid to students through a federal-provincial board called a selection committee. Students are selected by this committee made up of representatives of the provincial department of education with one member representing the federal Department of Labour. The provincial department of education would of course have a majority control of this board.

For example, I have ascertained that in the province of Ontario the provincial representatives number seven whereas there is but one member representing the federal government. At the discretion of the province help may be given in the form of either a loan or a grant. For example, the provinces of Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Saskatchewan give loans only, while Ontario and Newfoundland give outright grants with Alberta, British Columbia and Quebec giving both.

The amount of assistance given to an individual may vary from province to province, but in most cases it ranges from $100 to $300. I have some interesting figures from my own province of Ontario. I understand that for the academic year 1954-55 the sum of $316,000 has been spent on bursaries, of which $216,000 came from the provincial government and $100,000 from the federal government through the Department of Labour.

The number of students receiving bursaries was 1,791 out of 2,860 applicants, or 62 per cent. Many of the 1,069 applicants who did not receive bursaries I am informed did not have the requisite 66 per cent academic standing. I have no information available as to the amounts of individual grants, but I understand that for the year 1955-56 the amount of $420,000 will be available, with $100,000 of this amount coming from the federal government.

This joint effort is to be highly commended and it is my plea today that the federal government substantially increase its share so that the joint effort may be considerably extended. This method also shows clearly how federal and provincial governments can work together amicably for the good of Canada. I repeat that the controlling interest here is with the provinces. I would go further and say that this system is forging a great weapon of national unity.

This would seem to me to be the most effective way of handling this whole problem. I am purposely not stating arbitrarily how much money is needed. I am informed that 20,000 university students need assistance and I would think that the student aid allocation would have to be at least doubled to $600,000 for a start. But I ask, when one thinks of the incalculable value accruing from this enormously successful venture in education,

in what other way can Canadians get such a good return on their national investment? The answer is obviously nowhere else.

I want to raise the question of assistance by industry and by privately-endowed organizations and foundations. We have noted that in the United States the national merit scholarships corporation has contributed over $20 million for scholarships and bursaries. Of course we have not anything comparable to that in Canada, but I think one should note the splendid work the Atkinson foundation fund has done in this regard.

An editorial in the Toronto *Star* dated Friday, November 11, 1955, pointed out that the foundation, which has done such magnificent work in the humanities, has helped more than 1,500 Ontario students obtain a university education which otherwise might have been denied to them by a lack of funds. At the end of 1955 contributions were to have reached $393,500. The bursaries, called entrance bursaries, ranged from $200 to $400. This is most commendable, but we must face the fact that there are no other Atkinson foundations.

Of course we should be thankful to such organizations as the I.O.D.E. Mrs. R. C. Bennett of Hamilton, educational convener for the I.O.D.E., stated on October 20, 1955, that for 1955 the I.O.D.E. awarded bursaries totalling $3,700 to college students, and interest free loans totalling $1,100. This fine organization is to be congratulated upon the splendid work it has done in this regard.

Business is becoming aware of the problem but, as President Sidney Smith of the university of Toronto pointed out last week, industry has not been fully cognizant of its responsibility in this regard. Perhaps in all fairness it should be pointed out that the income tax provisions are not conducive to assistance by industry in connection with this matter. No, I think that at the present time this problem can be handled only by the government.

It will be argued that we should not distribute more scholarships until we have more facilities available, and that brings up the related topic of federal assistance to universities generally. It may be asked, why cannot the federal government assist universities in financing of capital assets such as new buildings, laboratories, halls, libraries and so on. As a matter of fact the estimates of the Minister of Finance (Mr. Harris) indicate that unconditional grants to Canadian universities will be approximately $7·8 million for 1955-56. I say with respect that this would appear to be woefully inadequate even for the immediate future.

At the present time there are between 55,000 and 65,000 attending universities, and it is estimated that in ten years there will be from 100,000 to 135,000 university students. To confirm these figures one does not have to look any further than the township of North York in which my riding is located. I am informed that in 1960 there will be approximately 81 public schools in the township of North York. Now this is the shocker. In 1960 the township of North York, with an estimated population of 250,000, will have approximately as many schools as are now located in the city of Toronto proper with a static population of 750,000 people.

Let us look at the high school situation in North York. It is estimated that in 1960 there will be approximately 13,000 pupils. Is it any wonder, on the basis of this isolated example, that an estimate of 135,000 university students in 1966 seems to this observer at least to be conservative.

Therefore it appears to me that the federal government should now consider the setting up of a royal commission to study how much money should and could be allocated and dispersed to universities over a long-term period without of course there being any infringement upon provincial autonomy. If the money were allocated directly to the university this surely would not violate provincial sensibilities.

I should like to conclude my remarks in French as I am most anxious to have the support of my French-Canadian colleagues on both sides of the house.

(*Translation*):

Mr. Speaker, I would not like to miss this opportunity of saying a few words in French to my French-speaking fellow citizens and more particularly to those of my colleagues who represent Quebec constituencies.

I would ask them to support this resolution of mine. I sincerely think that it is one of the best means of promoting national unity in Canada.

Before introducing and explaining my resolution, I want to make it clear that I am among those who recognize that the provinces have competent jurisdiction in the field of education. That is the case in the province of Ontario as well as in all the provinces which stand guard jealously over their rights in the field of education.

I know that French Canadians are proud of their language, their customs and their traditions. They are right in feeling as they do, and I congratulate them on that score. In order to maintain this character, French Canadians mean to keep control of education in so far as it concerns them. I recognize that fact, as indeed my resolution shows. I am also convinced that most Canadians

French and English-speaking, recognize it too.

Of course, my resolution agrees with that principle. There now exists grounds for agreement, a way to get the federal and provincial governments to co-operate in this field of assistance to education. This federal provincial co-operation has already been successful and I believe that more liberal subsidies could now be distributed if the same method were used, that is to say by appointing a selection committee whose task would be to select the students who are in need of money to undertake, continue or complete their studies. This committee would include representatives of the provincial department of education, a representative of the federal government and a representative of the university concerned. Subsidies would be paid directly to the student who would have previously satisfied the said committee as to his genuine financial need. Hon. members will note, Mr. Speaker, that the province would exercise supervision over all the proceedings and maintain its authority. Then, that being the case, there could be no question of federal intervention into provincial affairs.

I say that such a policy is a major factor, not only for needy students, but for Canada as a whole. It is a policy of good understanding, a further step to national unity. We must encourage and multiply contacts and exchanges between French-speaking and English-speaking Canadians. I contemplate a brighter future for the time when there are more exchanges of students, students who will think, first and foremost, as Canadians.

I can assure French Canadians that the people of Ontario want to be their friends. Let me recall, in evidence, that many of the hon. members for Toronto, including the members for Trinity (Mr. Carrick), for Eglinton (Mr. Fleming), for Greenwood (Mr. Macdonnell), for Broadview (Mr. Hees), have made French speeches in this house.

Canada, our beloved Canada, is a bilingual country; a country with two cultures, one French, the other English. Are we not going to march forward hand in hand in order to make Canada the home of tolerance and of liberalism in its art as well as in its humanity? My resolution is an appeal to national unity, along with the respect of the rights and privileges of everyone.

(*Text*):

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, as on earlier occasions, it will be our intention to support the purpose of this resolution.

We have had many opportunities to express our belief that the plan of scholarships, which has already worked very satisfactorily through the co-operation between the federal and provincial governments, should be widely extended. We are not dealing with something that is in the realm of vague experiment. Actually there have been scholarships for a great many years, as has been pointed by the mover of this motion. The arrangements have been such that the provincial authorities have had a wide measure of responsibility for the details in this matter. For some time I had some administrative responsibility in connection with the operation of these scholarship arrangements. I know from my own experience that they work satisfactorily. I can recall no single occasion where any serious difficulty presented itself in carrying out those arrangements for scholarships and grants.

The purpose of this motion, undoubtedly, is to emphasize the need for an extension, a very substantial extension, of the award of scholarships to those who seek the opportunity to take advantage of the educational facilities that our universities afford. This can be done without in any way interfering with the exclusive jurisdiction over education which rests with the provincial governments under our constitution. This can undoubtedly be worked out on a satisfactory basis of effective co-operation between the federal and provincial governments.

I am not going to examine in detail the wording of this resolution. The purpose is clear. The purpose is to extend a system of scholarships which will widen the opportunity for young Canadians in every part of Canada, whatever their financial position may be, to avail themselves of the higher educational opportunities that our universities afford.

There are added reasons at this time why all of us should encourage the extension of opportunity at the universities. It is not only the advantage of the young people that is involved—and that is fundamental and vital. What is also involved in the consideration of this subject is the advancement and the strength of the future character of Canada itself. In a large measure, the kind of life that will be lived in our country will be shaped and guided by those who have the advantage of university education and from the pulpit and elsewhere convey those ethical and religious standards which have been the foundation of our life and which we trust will be the foundation of the life of this country in the years ahead.

We must never overlook the fact that, while it is not from university graduates alone that we must seek advancement of the general welfare of our country, one of the fundamental purposes of our universities is to

train people how to live and in turn to pass on the advantage of that training to others. A great part of our university instruction is devoted to the education of teachers themselves. Certainly in that field every encouragement should be offered.

Then there is the field of engineering and scientific skill that is so important at a time when it is so much a part of the great effort that we are making throughout the free world to maintain the strength of our free system. It surely must be a matter of concern to all Canadians and all people of the western world when we find a man, as careful in his statements as Sir Winston Churchill, telling us only within the past few weeks that from the information it has been possible to obtain Soviet Russia is outstripping us in the training of engineers and others with technical knowledge who are so necessary in this period when the great issue between these two different ways of life is being resolved.

Therefore, while it is vitally important that we remember the needs of the young people, while it is vitally important that we bear in mind that every young Canadian who is capable of using the opportunity to have higher education should have that opportunity if possible, we are also dealing with the building of our national strength at a time when national strength is part of the great struggle in which we are engaged. Having regard to the enormous sums of money that are spent on the common effort to build our military strength, it would take a relatively small portion thereof to extend on a very broad basis the kind of technical education, the kind of education in the specialized skills that is needed today. I think we would be serving the dual purpose of widening the opportunities for our youth and building the strength of our nation at the same time.

What happens in the United Kingdom, the United States or in any other free country will be the decision of the governments and elected bodies of those countries. Here our responsibility is for what takes place in Canada. To the extent that this resolution presents the proposition that we should seek a system of scholarships that will encourage young people to go to university, and widens their opportunity to have university courses, we certainly support this effort. To the extent also that this can be done in a way that will guide young people into those special branches of training where graduates are particularly needed at this time, we certainly should encourage the purpose embodied in the resolution.

I have stated before that I believe this can be done without in any way interfering with provincial authority under our constitution. I have seen it work satisfactorily. I have participated in the actual administration of funds of a similar nature. I know it can be done and therefore I am very happy to support the purpose of the resolution.

Mr. F. T. Fairey (Victoria, B. C.) Mr. Speaker, I rise with pleasure to lend my support to the resolution. In fact I rise with some eagerness because on other occasions I have had the pleasure of putting forward the same idea in this chamber. Let me say at once that it is my purpose to form the core of my remarks around what has been so well said by the Leader of the Opposition (Mr. Drew). The resolution suggests that emphasis be placed upon the need for larger funds to be made available for higher education through the schedule of the Vocational Training Co-ordination Act, which has been in effect for 17 years. In those seventeen years the federal government has spent approximately $3 million in co-operation with all the provinces of Canada to provide scholarships and bursaries to young people of high intellect whose economic situation will not allow them to proceed to a school of higher learning.

The subject has been very well covered by my colleague, the hon. member for York Centre (Mr. Hollingworth). He emphasized particularly the need for university training, and I should like to add one or two reasons to those he gave by way of support for a continuation of the schedule but with greatly enhanced facilities both material and financial. In those 17 years the province of British Columbia has sent to various faculties of universities of one kind and another some 7,000 students. As the Leader of the Opposition has said, his province, my province and every other province have added funds of their own to those supplied by the federal government. For some years now the federal government has provided about $30,000 in British Columbia. The British Columbia government has matched this amount and added another $100,000 to it for additional loans. The other provinces have done the same thing.

I mention that only to show that there is a realization of the need. What has always appalled me is the waste of intellect and ability of our young people that goes on in our schools. I say that because there are so many people who think that all those who have the ability to proceed to schools of higher learning have the opportunity to do so. I think we all know that financial ability is not always paralleled by intellectual ability. There are thousands of young people

with intellectual ability who have no opportunity whatever to go forward. I have felt for many years that we should do more about it and I hope before I sit down to propose a plan which has some reasonable prospect of success.

I was intrigued by a remark made by the Minister of Fisheries (Mr. Sinclair) before he left on his trip to Russia. He, of course, comes from my province and, if I may say so, I once had the pleasure of teaching him. He said he was hoping to see the universities in Russia because rumour had it that they were crowded with students. He said he had heard—and he believed it—that the method of selection was as one would expect in a totalitarian society, where they had young people, young men particularly, in the armed services. They had a wonderful opportunity to select those with ability and without any question about it they would simply say to one individual, "You go to university"; to another, "You go to technical school", and to another to go somewhere else. In other words, they had the opportunity to pick out those who could profit by further training and contribute particularly to the technical advancement of their own country.

In Canada today we claim great prosperity, particularly in the industrial field. During the last session of parliament I made a plea for a realization of the shortage we have in this country and I asked this question. If Canada is to progress in the industrial field and in the scientific field, where are we going to get our engineers? What are we doing about training them? Where are we going to get our technicians and what are we doing about training them?

Only the other day during the recess a personnel man of a large industry told me that he had gone to the University of British Columbia—as had others to all universities—recruiting graduates of the faculty of applied science. He said, "I hoped to get ten for my firm and I obtained only two". Only the other day in Ottawa an official of the federal government—I should not mention the particular department because I do not think he expected to be quoted—told me that they were going around to universities recruiting. Recruiting what? Recruiting the bright young men now in the universities and offering them jobs. There is a tremendous shortage of engineers and of technicians, particularly in the field of electronics.

How many schools are there in Canada capable of training technicians, particularly in that field which I have mentioned, namely electronics? There is one. It is the Ryerson Institute of Technology in Toronto. There are good technical schools but they are mostly trade schools. We have one in Vancouver, one in Calgary, one in Winnipeg and there are one or two others. However, they are chiefly trade schools.

Here in my hand I have a letter from the principal of the Ryerson Institute of Technology who is a personal friend of mine. He wrote to me after my address of last session. In his letter he said this:

> As you know, the original aim of the Ryerson Institute was to prepare its students to become engineering technicians and over two-thirds of our enrolment is in such courses.

This letter was written in April of last year. He said:

> We have now an enrolment of 1,600 in our day classes and 5,200 in the evening school.

Farther on in his letter he said this:

> The programs of study for the engineering technicians are based on the assumption that upon graduation their general and theoretical education should reasonably approximate that of a second year university student.

What I want to point out is this, Mr. Speaker. Despite the fact that we have a shortage of professional engineers and of those who design and of those who formulate plans, they are useless unless we have those who have in their hands and in their minds the skill to put those plans into effect. The technician is the important cog in the wheel; and the technician must be guided by those whom we call, for want of a better term, superintendents or foremen or lead hands. Here we have one institution in Canada that is fitted to do that job. Yet at the same time we claim to be growing by leaps and bounds as an engineering and industrial nation.

I said that I was going to suggest a scheme. It may not have any merit, but I think it has. For some years now we have had what is called the vocational training advisory council. I was a member of it. That body meets from time to time. It is supposed to survey the situation throughout the country in the vocational and technical field. It is composed of educators, representatives of industry, of unions—that is of labour—and of the business field. That council is supposed to present recommendations to the Minister of Labour (Mr. Gregg), whose department is responsible in this field, in the hope that they may be accepted and be put into effect. I know that for years all we did was to ask for more money. That is a rather common practice of commissions. I am not too happy about the suggestion for a royal commission made by the hon. member for York Centre (Mr. Hollingworth). We have had too many of them suggested, and they take too long. We have a body which, in my opinion, is capable of doing this job.

If we are going to tap the resources which we know are in this country, we could enlist the support of the educational administrators across this country. By that I mean the high school principals, the superintendents of education. We could ask them to do just one simple thing, namely to keep their eyes and their ears open for bright students in their schools and to earmark them. If—and I know it could be done—these youngsters could be discovered, watched and then guided in the proper channel, as their abilities would indicate, with the assurance that the federal government, in co-operation with their own educational authorities, would see to it that they had the opportunity to proceed and to develop those abilities which they have displayed, in that way I think we could ensure to every child in Canada with intellectual ability or special skill that he could be of use to himself, be happy in his own work and be of value to his community.

I would suggest to the minister that this problem be thrown into the lap of this vocational training advisory council, with the instruction that they should study this problem of the utilization of the wastage in the intellectual elite of this country and that they should formulate plans to use that valuable commodity which so far has been going to waste. But there would be no use in asking them to do this kind of thing unless they could be assured that they could follow it up. They should therefore be assured of adequate finances to put into effect a plan of increased bursaries. I like the word "bursaries" rather than the word "scholarships". A person who himself, through the generosity of his own people, can afford to proceed to university should be allowed to do so. It is those who have not that opportunity whom I think this government and all governments should assist. If a plan could be formulated and approved by the government, then I think we would be doing something to fill a need in the industrial potential of this country.

Lastly, I want to return for a moment to what I said about technicians. I said, with some heat, perhaps, that we have one school. Through the forceful effort of the Ontario department of education and the persistence of its present principal and others they established a school to do a particular job, namely, the training of tradesmen, if you like, mechanics and technicians, who are found in that large industrial centre. They have done a splendid work, but it is not enough. When I think that it was my pleasure to see the Minister of Public Works (Mr. Winters) lay the foundation stone of a post office in Vancouver that cost something over $10 million or $15 million—and there are lots of them in the country—and we have one technical school worthy of its name, I just think that it is out of proportion. I know that the federal government is besieged with requests for all kinds of things. There are many desirable things that cost a lot of money that we cannot have, but I do feel that since we are growing in industrial stature we should do something drastic to man our industries.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I should like to congratulate very heartily the mover of this private member's resolution. I am tempted to divert for a moment to express an opinion as to the value of private members' resolutions. I suppose this particular resolution about a subject which I think is vital may well do one or two things. It will air that important question before the country through the medium of this house. It will give us here an opportunity of discussing the matter and expounding our opinions in regard to it, and I think it will have some result in the creation of public opinion in favour of the particular proposition it advances.

This, of course, is not a new subject for myself; so much so, that I got tired of debating it, and did not think it was my duty to keep on. If the hon. member may be said to have in a way adopted a child that was at least partly my baby, I suppose that is all right because when one adopts some other person's baby he at least pays some tribute to the respectability of the family. This is not, of course, my particular cause; it is a cause that has been shared by many hon. members.

Before getting into the main debate, I should like to say I am interested to see my own people back at home taking an interest in this matter. I fancy the letter I hold in my hand, which was sent to me by the president of the student council of the University of Saskatchewan, or one something like it, has been received by many hon. members, because I am given to understand that a campaign is being put on by the students themselves to try to hasten the coming into effect of this resolution by way of legislation.

As I say, the letter was sent by the student council of the University of Saskatchewan. May I say briefly what they have in mind? They point out that many of the students in attendance at the university at the present time are in need of financial assistance; that many others who are not there have been prevented from attending owing to financial need. They point out that the cost of education generally has increased and is increasing

much faster than their power to earn during those periods of the year when they are not engaged in their studies, and they throw out this information, which I have known for some time, that Canada is behind other nations in her assistance to her universities. Perhaps I should be careful in that statement now, since we have new grants, but it is true in the matter of aid to education in general. That last assertion interests me, namely, that Canada is somewhat behind. I think it is certainly true in so far as the matter of grants is concerned, in relation to Great Britain.

I hold in my hand an extract from an article that appeared about a year ago in an issue of *Saturday Night*. The gentleman who made this statement is a Mr. Kenneth Lindsay, parliamentary secretary to the board of education in Britain from 1937 to 1940, a man with a career, I believe, both in government and in education. He stated in *Saturday Night* of January 22, I presume of last year, as follows:

> At the university level we have got a system of grants so extensive that there is nothing like it anywhere else.

He was referring, of course, to his own country of Britain. He said that:

> Seventy-five per cent of these students will be receiving assistance from the state. Basis of entrance is entirely on merit.

This keeps down wastage. He proceeds:

> About 60 per cent of all a British university's money comes from the state through the university grants committee . . . and gives something like £20 million a year, with no questions asked.

So much for Great Britain; I should like to make a plea for the humanities. I notice that it has always been less difficult to get grants from this government for scientific research. Whether that has to do with the state of emergency that we seem to be in almost continually I do not know. I refer to research scholarships in connection with atomic energy and the like. I should like to make a plea for the humanities. I noticed the hon. member for Victoria, B.C. (Mr. Fairey) said that it was the technician who had his hand on the wheel. I should like to suggest to him something that I am sure he would be the first to acknowledge. If we have not in addition something complimentary to our scientific invention, then we are well on the way to self-destruction. If we have not along with scientific invention some moral force and some stability and some moral judgment, then we will ultimately destroy ourselves.

I should like to see the humanities given a somewhat better deal in the granting of those bursaries, if indeed they are to be granted. I am thinking of potential employees of the government in the civil service, and I think particularly of the Department of External Affairs. I would suggest to the government that instead of waiting until they need a man for a certain specific office, whether it be for an administrative or an executive position, or a position in a foreign country in the Department of External Affairs, they should get from the universities of this country lists of bright young men, bright in the opinion of their teachers. That list should be available. I am talking now of men who have been specifically, shall I say, steeped in the humanities. These men will be all the better administrators, all the better executives, all the better representatives of this country in external affairs if they had some contact with the humanities. In the granting of bursaries and scholarships the government should use that list of young men of known scholarship, making of them specialists in the particular field in which the government requires them through such bursaries. I would suggest that as one way in which scholarships could very well be given with advantage.

I know something, although admittedly not a great deal, about the British system of selecting people for the diplomatic service and the consular service. As I understand it, if there is an opening in the consular service, let us say, the first step is to hold a competition. The competitive examination is open to anyone who thinks he might be eligible and is not restricted to university graduates. Naturally languages are of importance. Anyone between the ages of 18 and 24 may enter the competition. I have known cases where two or three hundred people have assembled, gone through the tests and the examinations and from their number two appointments have been made. I suggest that you are going to get really competent people under that scheme unless there is something wrong with the system of examining. Perhaps something like that is already being done here, I do not know. I am speaking now in relation to the humanities.

In filling a position in the scientific field I do not think we should insist that the applicant should be such and such a kind of scientist. I am a believer in the humanities and a believer in the value of the humanities in the moulding of human minds, and so I make some claim for them. Actually, I do not see a great deal of connection between education and the making of a living. I do not think the primary object of education is to enable a youth to make a living. It is true that if a person has an education his opportunities for securing positions are naturally better, but I am very sick of the idea that a young man does not need to know the

history of his country and of his forefathers if he is going to be a farmer; and of the idea that because little Mary is going to be a seamstress she does not need to know anything of our rich literary heritage.

I would not mind if my son were a farmer—indeed, I would be glad and I would want him to plow a straight furrow—but I would like him to be an educated man regardless of the way in which he makes a living. The same thing applies in relation to the so-called—and I use that word emphatically—humble occupations in life. If my daughter is to be a dressmaker I want her to be an educated one. There is no reason why she should be denied the love of literature, the expression of the thinking of the great men of the ages simply because she will be sitting at the sewing machine. I did not intend to say this at all when I rose to speak, but there it is for what it is worth.

In this country we constantly say that education is a matter for provincial jurisdiction. I have heard that frequently enough to know that it must be a fact—or is it? Of course, I believe that the administration of education must fall within provincial jurisdiction. This appears reasonable under the British North America Act. However, while the administration of education and its detail should fall under provincial jurisdiction, the general and collective effect of education is, I believe, national.

I do not wish to compare too much our system of education with the systems of education which exist in other countries. Comparisons are odious. I have used the argument—I am loath to use it but I use it because some of my hon. friends are impressed by it—that in the competitive struggle, if you like to call it that, Canada is falling behind certain other countries. I believe I made the statement in a speech the other day that we were losing the cold war in the matter of education. Some of my hon. friends, one of them at least, was very indignant. He thought that I should not have disparaged our country by admitting that our educational system does not compare well with that of a country with whose political philosophy we do not agree. However, I suggest to my hon. friend that there are better channels for his patriotism, if indeed that is patriotism, than sticking his head in the sand and ignoring what is happening elsewhere.

Some reference to the progress in education in the Soviet union has been made; I think by my hon. friend from Victoria (Mr. Fairey) and perhaps also by the hon. member who proposed the resolution. Anyone who is interested in education cannot already have forgotten, although it is a year old, the remarkable article by Burke Stannard entitled "Here is Race We Can't Let Russia Win" published in the *Financial Post* December 18, 1954, in which he gave figures, and I presume they are correct, in regard to Russian facilities for university students. I want to emphasize I am not arguing on that basis at all. What the Russians or the British are doing in regard to education is their own business. I am only interested in our system of education and in its effect upon our youth and consequently upon our nation. I have already made the statement that while the administration and detail of education is provincial its collective effect is national.

Mr. Stannard's article contains some startling statements which I should like to quote:

> In 1918, Russia had one university for every 1·5 million population; Canada had one for every 315,000. Today, Russia has one university student for every 150 population; Canada has one for every 250.

As I said, this article is from the *Financial Post*, a rather unusual publication in which to find an article on the subject of education; nevertheless, there it is. The article continues:

> At the present rate, by 1960 Russia will be training more scientists and engineers than all the NATO countries (U.S., U.K., Canada, etc.) combined.

That at least should answer my hon. friend's question as to why I put forward that particular argument.

I have here another article I picked up just today which was published in the Ottawa *Citizen* of January 5, 1956, entitled "The Russian Challenge in Education". This article says in part:

> In the United States, alarm at Russian competition is an increasingly influential factor in the demand for greater aid to education.

It is not my intention to read the entire article but I think the concluding paragraph is of importance:

> Competitive co-existence means, among other things, that western nations will have to provide more and better education.

As I see it, that is what we are talking about here today. We are in a period of tremendous prosperity. My friends on the government side keep reiterating that fact and I do not deny it. We have lots of money to spend on cars—cars which are far too big and powerful, in my estimation—and this is another invention which I think will have to be controlled. Nevertheless we have a tremendous capital investment, and are ploughing back into industry quite a percentage of that investment. I suggest that we are ploughing back too much of it into more capital investment to produce more

gadgets, faster cars, bigger refrigerators and the rest of it. I suggest that there may be something wrong with our sense of value. Perhaps we are growing materialistic and acquisitive. In that we are aided and abetted continually by commercial advertising, and the worst of it is that it tries to increase our desire to surpass our neighbours in what are actually tinsel propositions. We are urged to buy what they call swanky cars and are told that we will be able to look out of the back windows and see our neighbour left behind. What an inducement that is!

I am going to suggest that perhaps we should hasten slowly in these things. We should not be in a hurry to exploit all our natural resources, to get our hands upon all the money at once, and improve our standard of luxurious living. Perhaps we should plough back some of that capital investment, some proportion of our gross national product, and invest more of it in the creation of the good life. By good life I mean things like health and education and those things which rightly or wrongly we are inclined to talk about as being the fine arts.

We have passed the pioneer stage. We have dug the stones and cut the stumps. We are very comfortably off, and it becomes a question of how we are spending our money. Are we squandering it or are we spending it on things which will build our country into a great nation?

I am reminded of a dear old friend of mine at home in the old country. Perhaps I should not refer to it in that way because my home has been here for 50 years or so and my children have been born here. But one does think of the land of his birth. I went back for a visit and was still a young man at that time. I went to see this dear old friend as she sat in her little cottage in the green fields of Northern Ireland. It was only a thatched-roof cottage but it was clean, the walls were white and the roses were growing around the door. This little old lady in the evening of her years was sitting there among her flowers, her pictures and her books, particularly her books. Being impetuous and young I began boasting about the good things we had in Canada, the inventions and other modern things. She sat and listened to me with patience and then she said, "Yes son, perhaps you have a better standard of living, but perhaps we have a better life." It was something to think about. Perhaps she was quite wrong, but that is something that has lingered in my memory from that day to this.

One of these items of the better life I have been talking about is covered by the resolution proposed by my hon. friend. He is suggesting more university scholarships. We have to give these young people a chance if we are going to bring them up to be the kind of young people we want them to be, the kind of young people we need in our social and economic environment. A comprehensive scholarship plan involves increased accommodation. If the number of individual scholarships is increased it means increased attendance at the universities. I welcome that. These people will be running to our doors just as the people in Saskatchewan have been running to the doors of the hospitals under the hospital scheme. They need to run to those doors. God bless them, let them run, the more the better, so far as universities are concerned. I would not suggest that about hospitals.

This is going to impose a burden upon our universities and they can carry no more now because their burden is already too great. They are in a state of continuing and developing financial crisis. So assistance to universities paralleling grants to individuals will be needed. These things have been expressed much better than I can express them by university men of this country. The president of McGill University has been referred to today, also the late well-beloved Dr. R. C. Wallace of Queens, and also Dr. Sidney Smith who wrote a most interesting article in the University of Toronto *Quarterly*.

Someone has suggested that more should be done by business interests. I am not quite sure about that. I have not thought my way through to the end on that. To me education is a public responsibility and I do not want to rely on the profits of some candy firm or brewery or something else for the education of my children and my children's children. I think it is a public and therefore governmental responsibility. Nor do I want to be dependent upon distilleries to provide opportunity for my grandchildren's participation in sports or for awards that might come to them in that respect.

That reminds me that we already receive some foreign aid for education in this country, and I am referring now to what are known as foundations. I like to see money being given for education, but the people who run these foundations are beginning to think that this country is not carrying out its share of responsibility in regard to education. I am not able to quote this as a fact, but I have heard and read that some of these people are threatening to withdraw their support because the public of this country apparently do not sufficiently appreciate the gifts that are being made at least not sufficiently to match the outside assistance. Perhaps some of my hon. friends will be able to state whether that statement is true or not. I see some affirmative nods.

Our young people are clamouring for admittance to the halls of learning. I understand that between 7 and 8 per cent are now in attendance, but this percentage will increase, certainly under the scheme we are proposing today. The actual numbers will increase in any event. I think Dr. Smith estimated a total of 130,000 will be in attendance at the universities in ten years, or he may have been quoting an estimate by the bureau of statistics.

The logical question is, what does the government propose when faced with that particular situation? Is this proposed investment worth while or is it not? Is this the best way in which we can spend our money or is it not? Are we going to keep on putting our capital investment towards the manufacture of more gadgets and increasing our present luxurious state of living? It is quite true that luxury is enjoyed by everybody, and we would like to see it more generally shared, perhaps. But are we also going to look toward the future needs of this nation?

I think it is fair to say that the government has shied away from certain propositions in regard to education, certainly one that I have often advocated. What have they done about UNESCO? Have we as a country assumed our responsibilities? Have we from the early beginnings developed something worth while? We just shied away from it. In this connection I should like to quote the Prime Minister (Mr. St. Laurent). I do not know whether he realises it or not, but one of his favourite expressions is "at this time": at this time we are not prepared to do anything. But that statement does hold out some hope for the future and hope is always a good thing. I am suggesting that we have shied away from these things, perhaps unnecessarily.

I think it is time that Canada grew up educationally. It is true that we have got rid of some of our inferiority complexes and are beginning to develop some of our native arts and literature, but we should be developing something for our children to read. When you give your child or grandchild 25 cents or 35 cents to go out and buy something to read, what does he come back with? What is available to him at that price. I say no more. Of all the countries I have ever been in there is in this country the greatest dearth of good reading for children.

The comparison simply leaves us astonished and ashamed. As far as my observation goes in this matter of a demand for education and for equality of opportunity in education, the government should be taking the lead in promoting higher learning by assisting those provinces which administer the systems of education. We should have a scheme of national university scholarships and we should have it now. I am glad to hear members on the Liberal side advocating it. When one of the gentlemen on the other side advocates some progressive measure such as this, we begin to think that they are getting some encouragement or that at least no prohibition is being placed on them against mentioning the nasty word "education" in this sacred house devoted to federal matters.

To go back to the scheme of my hon. friend, this scheme would be of inestimable value to the young people of this country, to the provinces of this country and to the nation as a whole. The welfare of the nation as a whole, as well as that of the provinces and the municipalities, is, in my opinion, directly dependent on the quality of the education of its citizens. Canada did something more than help many returned soldiers when it instigated the D.V.A. education grants. She contributed to the efficiency of the whole nation. Let us not forget that the scheme was operated with individuals who on the average would certainly not have attained the same standard of education as the people to whom we are proposing that these bursaries or scholarships should now be given. If we made a success of that, if we made our country better or stronger because of that plan, what are we now waiting for? Not money—I have dealt with that. We have money for other things.

I say I am glad that a member who supports the government brought in the resolution. I honour him for it and I wish him luck with it. It may be a good sign. Let us hope it is of some significance. Let us hope that something will be done.

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I wish to congratulate the hon. member for York Centre (Mr. Hollingworth) on his interest in the education of the young people of Canada as exemplified in the resolution now under discussion. This resolution calls for consideration of the need to provide national scholarships and bursaries for university students in financial need. In supporting this resolution, I am responding to an invitation from the students of St. Francis Xavier University, who were kind enough to forward me a resolution outlining their views on this problem of such importance to the university population.

Until my election to the House of Commons, I spent all of my adult life in university, either as a student or as a teacher, and it is upon that experience I wish to draw in giving voice briefly to my views on this subject.

Education

In drawing attention to the need of financial assistance for university students, the hon. member for York Centre has singled out one of several problems involved in the task of making Canadian universities more effective instruments in the progress of Canada and in the intellectual and moral formation of its people.

Equally important is the question of direct financial assistance to the universities and expanded aid to programs of research, especially in the field of the social and economic sciences. This resolution, however, is not intended to provide a basis for the analysis of the total financial problem of the university and is therefore confined to the aspect of providing greater opportunities to the youth of Canada for securing a university education.

I do not share the attitude which regards a university education as solely useful in rising to a higher income status or as replenishing the groups in the community who have exercised, in a traditional sense, social and cultural power. University education in a growing country must always have in mind the equipping of persons with skills for useful public service. It must be directed to the object of reducing social and geographical differences and divisions through its availability to all groups in a community. Finally, it must assist citizens to reach understanding by allowing them to share in the intellectual and spiritual heritage which it is the universities' duty to transmit.

I believe it is proper that each person should be allowed to choose freely his occupation. If the selected occupation requires university training, then a life ambition should not be thwarted and a contribution to society lost because the aspiring student has not the financial means. It may be that as society evolves, the notion of a university education will not be so closely bound with a gainful occupation but will be cherished as a desirable possession in its contribution to personal enrichment; and fortunate indeed is the community in which such persons abound.

If the case for assistance to university students is sound or appealing on theoretical grounds, it is more than justified by the needs of the present stage of Canada's development and is supported by the experience already gained in the launching of such assistance programs on a national scale.

Such favourable views exist on the success and efficacy of the education program of veterans under the D.V.A. plan that it is really unnecessary to provide further proof. Let me say, however, that I had the opportunity of associating with veterans at one of our Canadian universities during the post-war years. These veterans were supported in their university education by government funds and they were in part composed of students who would not have had a chance to pursue their education otherwise. This group made up a serious and competent element in the campus community. They were, of course, more mature than the average student group, but not the least of the reasons for their success as students was the removal of a great part of their financial concern. Today we have a program by which financial support is offered students who will enter the services upon graduation. Both these systems of aid are more than noble experiments. They are useful precedents. Their success nourishes the hope that, as the state supports university students in reward, and to provide an inducement, for service in the armed forces, it will also make generous provision for students who are ready to serve in peaceful pursuits.

I do not intend to retrace the ground covered by other speakers who have stressed the demand for trained persons in many professions in our present expanding economy; of the need to provide assistance in Canada to university students on a basis at least comparable to that provided in the United States and the United Kingdom; of the need to supplement the summer earnings of students through the provision of financial assistance; of the desire to increase the proportion of our population in university or with university experience.

These arguments appeal to Canadians who wish to pursue the development of their country and Canada's capacity to make a wider contribution in the cause of peace. The Canadian public will support the purpose of this debate. In the province of Nova Scotia there still lives with undiminished strength a love for learning and I am sure that a similar feeling exists in all other parts of Canada.

I want to touch for a moment on the view sometimes expressed that paying one's way sifts out those students who really want university education and who will really benefit from it. This process of paying one's way is regarded as a great builder of character. I prefer to think that a university builds character in a different sense, in the true sense of graduating men whose lives and conduct are patterned on immutable principles of religion and philosophy. But we are today also bent on building a country, and it is my belief that it will be built more solidly and more quickly if a greater share of people graduate from our universities.

The process of university education is not a financial process. It is rather a moral and intellectual process. Education extending into

the professional and graduate fields requires discipline and hard work that make it so essential to remove at least in part the financial worries.

I have said nothing, Mr. Speaker, about the amount of such assistance, what standards of scholarship should be set as qualification, or how it could be administered. These are decisions that may provoke a type of discussion which at this time might frustrate the purpose of the resolution, namely, to establish the need for assistance to university students as a compelling national concern.

Mr. J. A. Smith (Battle River-Camrose): Mr. Speaker, I should first like to congratulate the mover of the resolution. It is my opinion that in presenting this resolution to the house he has brought before the members a problem that needs to be given great concern. As a former teacher, I should also like to pay tribute at this time to the hon. member for Saskatoon (Mr. Knight) for his efforts throughout the years in trying to secure federal aid for education. For many years the hon. member for Saskatoon has seen fit to place resolutions on the order paper requesting aid for education. He is well known throughout western Canada as a champion of aid for education.

We in this group intend to support the resolution primarily because we believe that the advantages derived from university training should be made available to all young men and women who would like to take advantage of such training. We do not feel that the young person who lacks the financial means to attend university should be deprived of that privilege. Again, Mr. Speaker, as a group we believe that the acceptance of the resolution would be good, sound business on the part of all hon. members.

If it can be said that any good at all comes out of war, perhaps the policy of giving aid to the young men and women who were fortunate enough to return to their native land as veterans of world war II and the Korean war would be at the top of the list. The young men and women who availed themselves at that time of this opportunity are now serving their country more effectively and are proving themselves to be of great value to their communities. Without going too far back in history, it is possible to find instances where other nations have recognized the value of education, particularly university training. I am thinking in terms now of the Japanese empire. Within the span of a few short years Japan was able to build itself into a power that threatened our western civilization. How did she do that? She selected the very best of the Japanese young people. Where were they sent? They were sent to such countries as Great Britain, the United States, Germany and France. For what purpose? To pick up ideas and bring them back to Japan in order to make that nation powerful and strong.

I should also like to point out that Hitler in his early days took over control of the schools and universities of his country and that with this control he was able to build up in Germany that terrible war machine which threatened us for years. What is Russia doing today? In the course of the debate it has already been pointed out that as far as the communist government of Russia is concerned university training is a must. On the other hand, what are we doing? Are we looking to the future? Are we saying to our young people: We want you to go to the universities of our land?

In this country we have some of the finest universities to be found in the world. Are we saying to our young people: We want you to go there and equip yourselves so that you can take your place in our democracy and assist us in the cold war now being waged? Surely, Mr. Speaker, it must be recognized that we need something other than guns, bombers and so on to counteract the evil forces surrounding us today. We need educated young men and women who are firmly conviced that our way of life is the true and only way of life.

As a former teacher I have all too often watched young boys and girls come up through the school system and graduate from grade 12 with good marks only to go no further with their training. Why? It was not because they did not want to do so but because they did not have the financial means to carry on. In my opinion this is a sad situation. Education should and must be made available to all young people throughout Canada who desire and are capable of taking it. We are very pleased to support the resolution.

Mr. S. R. Balcom (Halifax): Mr. Speaker, I was asked some time ago by the students of Dalhousie University to support the hon. member for York Centre (Mr. Hollingworth) when he presented his resolution, and I am very pleased to do so. A good case has been made for the desirability of more scholarships for university students by hon. members who have already spoken. Coming from a province where the need is great, may I say that we find there is a wide gap between what students can earn in their holiday periods and the cost of a year at university. The figures quoted by the national federation of Canadian university students show average earnings of $600 for men and $300 for

women compared with an outlay of somewhere around $1,200. The figure of $1,200 for a year may be conservative. The difference has to be made up in some way. The result is that the decision whether or not to go to university hinges very often on the immediate financial circumstances of a student's family.

If the parents are able to take care of the cost of higher education it is all to the good. If not, the student who gets his or her training the hard way does so with considerable sacrifice and hardship. This in itself is not a bad thing, provided it does not interfere with a proper use of their time at college and thus prevent them from getting a well-rounded education.

A survey in 1950 showed that over half of those who drop out of school or college do so for financial reasons. But there are those who, willing though they be to make the necessary sacrifices, are still not able to go further than high school. This seems to be the breaking point for many students. In order to confirm this view, one has only to look at the number of college students in Canada in comparison with the total population in the college-age group. In 1952 four per cent of those between the ages of 15 and 24 were attending university in Canada.

Attention has been drawn to the position in Canada as compared with that in other countries. In the United Kingdom and in France a large proportion of the students receive government scholarships and assistance. In Canada only about 15 per cent of our student population—whether the figure is correct or not I do not know—is assisted through scholarships and bursaries. These are not government scholarships, for the most part.

Hardly anyone would quarrel with the objective of the national federation of Canadian university students in asking for a national scholarship program. When a potential student is turned away from our colleges or professional schools not because of lack of ability but because he or she cannot afford to attend, we are all losers. The individual himself loses the opportunity for his broadest development and our society is that much the poorer. I am thinking not only in terms of technical training but in terms of those other qualities of breadth of vision and tolerance which are just as essential to our way of life.

The experience of Canadian universities with student veterans under the D.V.A. scheme clearly showed that there is represented in the youth of Canada a great deal of ability that ordinarily does not have the opportunity to make its full contribution to the development of this country. Because of economic difficulties many gifted young people are unable to attend university even though they have the necessary talent to become doctors, teachers, clergymen, scientists or engineers. Although they have the ability necessary to give outstanding service to Canada they are deprived of the opportunity to contribute their full potential because of the lack of university education.

Reports from universities throughout Canada have shown that the record of the student veterans was exceptionally good and that it in fact helped to set a new standard. This record was partly due to the fact that the student veterans were somewhat more mature than their classmates but it stands also as a clear reminder that we are not taking full advantage of the potential we have.

Canada is still a young and expanding country. If it is to make the progress which all true Canadians hope for, it must make the maximum use of its most valuable asset, namely the ability and skill of its youth.

Today industries and businesses all over the country are literally clamouring for men with university education to fill positions in the technical fields and in management. The same thing is true of government services. Dozens of recruiting teams are visiting the universities in search of such talent and many times they are obliged to go away with empty hands.

The universities of my own province of Nova Scotia have a special interest in this problem for two reasons. First of all, Nova Scotia has been traditionally the source of a disproportionately large number of professional men and of leaders in business and finance. Second, the average income in Nova Scotia is only about half that in Ontario. It is therefore correspondingly more difficult for our young people to find the money required to fulfil their ambition for a university education. At this point I might say that in Nova Scotia we have more students per capita than has any other province in Canada.

However, I am not sure that a national scholarship scheme is the first step that should be taken. Certainly such a program launched by itself to increase the student body substantially at this time, by whatever means, would impose on some of our colleges an impossible burden; for, in most cases, the tuition fees of the students cover only a portion of the cost of their courses. This is especially true of the medical and dental faculties where roughly only one-quarter of the costs are

covered by their fees. However, there is a substantial difference in all faculties. An influx of new students, whatever the source of their tuition, would only increase the demand for services already overtaxed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Balcom: Mr. Speaker, to continue the discussion of national scholarships where we left off at six o'clock, already during this session I have emphasized the need for a more generous policy of assistance by the federal government to our universities. Further financial aid is needed to enable the universities to make proper provision for salaries, for library research facilities and for all the other demands of modern education. We must emphasize quality and standards at this level. The institutions must have the best to offer or the students will turn away with dust and ashes instead of with capacities developed and attitudes that are healthy for responsible citizens.

Incidentally, I reiterate what I have said many times in this house namely, that the present method of distributing federal grants for education, resulting in a per capita rate per student so much lower than in most other provinces and so much less than that granted to provinces whose universities, being state supported, receive large benefits from the public purse, is a continuing source of dissatisfaction to the people whom I am proud to represent.

I am not suggesting that the government should bear the whole burden of cost. The Lord forbid that it should ever happen in Canada that the government should contribute so much money that they might possibly think that they should step in and have something to say in the operation of the universities. Individual graduates, business and industry, professional organizations and labour unions all have a stake and should make a voluntary contribution.

In no case that I know of do students' fees cover the cost of training. A graduate should take some responsibility for the continuance, the growth and improvement of the institution to which he owes a great deal. This sense of loyalty and responsibility is very important, not only in this connection, but throughout our whole society.

Under this resolution we are discussing and recommending scholarships and bursaries, but I believe the brief of the students should be broadened so as to make loans to students one of its main objectives. I believe the bright, ambitious students coming out of high school need loans which, with their summer work, would carry them through their full course, these loans to be eventually paid back; for today we realize that graduates in medicine, engineering, geology and other faculties have no difficulty in making a repayment.

I would be inclined to broaden the intent of this resolution with the suggestion, too, that hospital schools for nurses' training, provided that they meet the requirements of the various nursing associations' regulations, be included. We have a youth training program which was mentioned today, and which last year expended over $514,000 in Canada, of which only $46,000 went to Nova Scotia.

Then, in 1954 I think it was, the Department of Veterans Affairs, in its progressive legislation, brought in the education assistance act, under which the sons and daughters of deceased veterans are enabled to receive an educational course extending over four years. During that time their tuition fees are paid and they also receive an allowance of $25 a month. This assistance extends over the whole four years. I note from the booklet issued by the Department of Veterans Affairs that this course is extended to approved teaching hospitals which lead to registered nurses' degrees.

Then again we have one of the programs that were instituted by the Department of National Defence. I am not certain of the army and air force, but I know of the Royal Canadian Navy. Under this program university students join the reserve force and go into training. Over a period of their college course they receive something like $185 a month while they are on active service during the summer months, and during the study period in the winter months they receive half that amount. That seems to me to be very generous, and it has been taken advantage of by students all over Canada. In addition to all these benefits, a great many of these men go on tours and receive training in other points of interest all over the world.

The federal authority also contributes to the building and operation of provincial vocational schools. Any financial help that would educate and broaden our Canadian citizens should be assisted. I have in mind scholarships and bursaries to encourage all Canadians to learn the French and English languages. Let us do more to develop our bilingualism and consider it fitting, as obviously some help is needed, to do everything possible to make our two languages truly national.

By all means I would support this resolution and I would add that the government should consider the advisability of further aid to universities generally.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, this is one of the important matters which I think confront the country today. It is a very complex problem and one on which one could speak at considerable length if one had the opportunity so to do. But I do know that many hon. members wish to discuss this matter tonight, and I propose to speak very briefly indeed.

In the debate on the address in reply to the speech from the throne the other day I referred to the problem of university education, but I am not going to develop that further tonight. It is an anomalous situation in which we find ourselves in this country today, and which this resolution actually envisages. Practically every university in Canada is being taxed to the limit today to provide accommodation and service for the student body that is attending those universities at the present time. This resolution envisages the fact that still more students will be attending the universities. I think that is true, but it certainly does emphasize the fact that it is a complicated problem and not a simple one. The time has come when the government of Canada, the people of Canada generally, in co-operation with and through the provinces as well, will have to give more attention to the university's problem than has been given heretofore.

We have had many interesting debates on the matter contained in the resolution which is now before us. The atmosphere has been fairly well cleared with respect to it. Very little action has been taken. As I said, the time is rapidly approaching when some concrete action must be taken.

As I pointed out the other day, we are expecting an increase in our population. We look to world leadership, and we speak about the heritage which is ours and the challenge which is ours. The business leaders throughout this country are all saying we have to produce much more leadership material than is being produced at the moment. That must be done to a substantial extent through the universities. I realize it is only one phase of an over-all educational system. It is the one which is perhaps the most important and the most critical.

This resolution deals with only one phase of the problem, namely, the scholarship problem and the matter of financial support to students, and it is on that that I am going to speak for a moment.

Perhaps I can speak with a little feeling on this subject, coming as I do from a small university town where I have lived all my life. I have watched boys and girls come there seeking employment and seeking to put themselves through university. I know what small scholarships or bursaries mean to these people. I was thrilled to read the other day in the *Globe and Mail*—and the statement also appeared in newspapers all across Canada—that a contribution had been made to medical science by a research man in a certain Canadian university. I shall not mention his name. I happen to remember that fellow when he came to Acadia 20 years ago. I know that through a little influence he was able to obtain a job as a waiter in the university dining hall and thereby put himself through college. When I read of his contribution in the paper the other day I thought to myself, that is a substantial contribution that is being made to the public welfare of this country and to the world arising from the fact that this fellow happened to be able to get a job.

I have known, as has, I am sure, every hon. member in this house, scores and hundreds of young people who have not been able to obtain jobs at all. Some have been able to work and put themselves through, some have had relatives who sacrificed and put them through, some have won scholarships, but some have had to fall by the wayside. This resolution, as I see it, envisages this responsibility and suggests that something more must be done to assist the Canadian students who want to make a real contribution to their country if they are given an opportunity to do so.

In giving assistance to the veterans we have not established a pattern but we have established a precedent which was a notable one carried out by this government or by this parliament—I do not care how you put it. In doing so we have made a great contribution to this country, one from which we are only now beginning to reap the benefits. National research scholarships are of tremendous importance and I know that the Minister of National Defence and his department have provided for the education of many young men and possibly of some young women provided they will undertake to enter the armed forces and stay there for a certain length of time. To date, however, our contributions have been haphazard and I feel that the time has come when we should try to put them into better focus. I am not complaining about what we have done in this direction but I would suggest that it has been inadequate. I say this because the national research scholarships and others in large part deal with graduate students. We must not overlook the fact that we also have the problem of the undergraduate student.

According to figures released by the bureau of statistics we are able to estimate that by 1960 the secondary school population of this country will have doubled, a 100 per cent increase over 1950. In a few years' time the students represented by that 100 per cent increase will be moving on towards university. Many of them need assistance in order to reach that goal. Universities also need assistance in increasing their facilities for dealing with the students. As I say, there is the undergraduate problem as well as the graduate problem.

My hon. friend from Victoria (Mr. Fairey) in speaking this afternoon mentioned the need for further technical study in Canada. I realize that this is important but I do not think our country is going to develop solely along material lines. I think the emphasis on the sciences and on technical studies can be overdone. You, sir, will remember that in the old days in your province the emphasis was on the classical studies, generally speaking. I think there should also be an emphasis on the humanities or social sciences. History, economics, et cetera, must not be overlooked in the days that lie ahead, as they might very easily be. There are no scholarships for studies such as these and generally speaking there are no scholarships for graduate students. For these reasons I welcome this resolution. I think it is bringing the problem—and I think it is a national problem—into focus. I must emphasize again, however, that it is only one phase of the problem because the problem of education is much more complex than this. However, I think the time has come when the nation as a whole must assume responsibility for this matter and must set up a system perhaps privately supported in part, or supported by the provinces in part and supported only in part by the dominion of Canada as a nation.

I hope we can inaugurate national scholarships whereby young men such as the one I mentioned a few moments ago and the thousands like him who will be coming along will be given the opportunity of obtaining a college education and will thus be able to make a contribution to this country and to the world.

Mr. Speaker, I heartily support the resolution.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I will be brief as usual. Many teachers have asked me at this time to support a resolution of this kind and although I shall support the resolution I have certain ideas of my own on the subject of education which I should like to express.

I think that if a young man—or woman—has a purpose in life he will eke his way through college. Canadian students do not want a handout from anyone—not even from the government of Canada—because if they have a strong purpose in life they will find a way to graduate from college. I could name men in this house, including the hon. member for Victoria (Mr. Fairey) and the Minister of Agriculture (Mr. Gardiner), who worked their own way through college because they had a purpose in life. We do not want to graduate a lot of sissies. If a man has a purpose in life he will achieve what he sets out to do and will serve God and his country and there will be no strings attached to it. If a student receives aid from the government of Canada or from any province he should, after he has graduated and is earning his living in law or some other field, be man enough to pay back the taxpayers' money. I realize that those who were overseas are in a different position and those veterans who have graduated from college are a credit to Canada. I could name a good many of them, including some who came from the city of Fort William.

I think this resolution deserves consideration but we do not want to jump on the band wagon simply because it is a popular attitude.

Mr. J. W. Noseworthy (York South): Mr. Speaker, it is very encouraging indeed to many of us to find the Liberals vying with the opposition in an effort to get the floor in order to speak on the subject now before us. It is extremely interesting and also gratifying to find this resolution coming from the Liberal benches.

The hon. member for Fort William (Mr. McIvor), who has just taken his seat, for whom everybody in the house has a great deal of respect, has made the point that students today are not seeking government aid. He seemed to imply that in his day and in mine students were made of sterner stuff and were able to earn their own way through university. I was unfortunate enough to be one of those who had to earn their own way in order to go to university at all. When I attended the University of Toronto my freshman year, 1912, cost me less than $200. My room, board and university fees together amounted to $150. Some of us have attended, or have had our children attending, university in more recent years and we realize that what kept me at university for a year would not today keep a young person for a month at a university. It is true that it is possible for young people to earn more during their summer vacations than it was in my time, but the spread between the cost

and what can be earned is much greater now than it was years ago. Most of us know from experience that today it is practically impossible for young people to work their own way through university and pay all their expenses.

One cannot help noting the interest in education which is shown in this chamber today as compared with the attitude when I came to the house in 1942. At that time we considered education so exclusively a provincial matter that we scarcely dared mention the word in this chamber. During my first session here I was ruled out of order on three different occasions when I attempted to bring before the house a subject matter similar to that which we are discussing today.

Debates on education have been welcomed in this chamber now for some years and in every party in the house we find supporters for some form of federal government assistance. I have often maintained here that, notwithstanding the British North America Act, education is a matter of great concern to Canada as a nation. No provincial department of education educates a child to become a citizen of that province alone. Those who are educated in the province of Quebec move into every other province of Canada, and many of those who are educated in Ontario do likewise. Whether the cost of education is borne by the municipality, by the provincial government or with assistance from the federal government, we are educating young people today as Canadian citizens and not as citizens of any one province.

The level of culture and education to which we can bring our young people, regardless of the province in which they live, is a matter of interest and concern to Canada as a whole. We recognize that fact in time of war when we spend federal money in order to educate men and women to play their part in the war effort in order to equip them to be better soldiers, sailors, airmen and workers in munitions factories. There was no quarrel with the provincial governments over the expenditure of federal money for education in time of war. Why should we consider war so much more important in the life of the nation than peace, or education in time of war so much more important than education for peaceful living?

We are inclined to measure our progress today in terms of economics. We are hearing constantly of the great development of our natural resources and the ever-expanding production of our factories. We estimate our total national product solely in material terms. We forget that there are other values in life than those material things which can be estimated in dollars and cents.

A very learned economist, Dr. Galbraith, a Canadian who is now professor of economics at Harvard University, appeared before the royal commission on Canada's economic prospects a few days ago and he had this to say regarding the value we set on progress:

> More urgent than resource development is the problem of human development, and Canada, like the United States, has suffered an enormous wastage of talent by making higher education dependent not on ability, but on ability to pay.

I do not think there is anyone in this chamber who does not recognize the truthfulness of that statement. Today our universities are crowded but the people who are selected or who find it possible to attend are not necessarily the young people with the greatest ability or those who can profit best by a university education. By and large they are those who have the ability to pay for a university education. Dr. Galbraith made another significant statement when he said:

> But far more important than resource development is the problem of human development. The most serious current failure in both Canada and the United States is the failure to keep abreast of the technical and scientific requirements of growth. The present scramble for highly qualified people is a measure of our failure. We must plan to spend generously to correct our mistakes in this area.

If Canadians are to keep abreast of the times, if Canadian industry is to be supplied with specialists who are Canadians, then we must find the means of permitting many of our ablest young people who cannot now attend university to be able to do so. Even at that, we have fallen behind in providing specialists in the fields of natural science and engineering. But we have fallen much farther behind the times in the provision of graduates in the humanities, the arts and the social sciences. If we are to make this nation the best nation possible, if we are to produce a race of Canadians who can hold their own with the peoples of other countries, then we must be prepared to spend more money and to give more attention to those things which cannot be measured in terms of dollars and cents, those things which will eventually add to human happiness and development.

This is a matter which today has very broad support throughout the country. Even as conservative a group as the Canadian chamber of commerce in its December newsletter commented on the fact that we in Canada are not training our young people of the greatest ability for the positions they will be needed to fill.

This afternoon we heard that the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Fisheries (Mr. Sinclair), who have returned from their trips behind the iron curtain, were greatly impressed by

the urge to learn in those countries and by the opportunities for learning provided there. True, we may think that much of what is learnt there may be communist doctrine. We may not approve of the tactics that are used. But we dare not ignore the fact that behind the iron curtain the communists are providing for their young people every possible opportunity to gain an education, such as it is.

If we are to maintain our position in the battle for men's minds that is now going on throughout the world, then it behooves us to see that provision is made whereby more of our most capable young people will be provided with an opportunity of attending university. I sincerely hope that some way can be found, within the limitations of the British North America Act and without overriding provincial authorities, to make those opportunities available from federal funds.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, as one whose attendance at a university would have been impossible without the assistance provided by scholarships and bursaries, it gives me very great pleasure to support this resolution.

So much has already been said by previous speakers that the subject has now been rather well covered, but I believe the organization whose scholarships made it possible for me to attain a college education would have every reason to consider me lacking in appreciation and gratitude did I not take advantage of this opportunity to support this resolution.

In the light of the opening remarks by the hon. member for York South perhaps I should explain also that, in addition to the scholarships and bursaries, it was necessary for me to earn upward of $1,000 during my college term, and the financial worry and physical effort which that involved was a very serious handicap all through my college life. I therefore commend the hon. member for York Centre (Mr. Hollingworth) for bringing this resolution before us today. In so doing, he has performed a service to our country by focussing our attention on a matter of vital national importance.

Canada is a country that is blessed with fabulous natural resources, and we are rightly concerned with their conservation and development. How much more, therefore, should we be concerned with the development of our human resources, which are the most important and most precious resources of all?

We hear a good deal about the wonders of the electronic brain. How much more wonderful is the human intellect, which has produced not only the electronic brain and automation but all the other wonders of science which have contributed so much to our material comforts and conveniences. Up till now, every minute of man's life has been occupied in trying to survive. It is only now, with the perfection of the machine and the coming of the machine age, that man is beginning to find time to live. The very vastness of Canada's natural resources makes it all the more imperative that we develop our human resources, because the efficiency with which these natural resources are conserved for future generations, or developed and distributed among the living generations, will depend directly upon the development of our human resources.

The emphasis that Soviet Russia is placing upon education generally and upon university education in particular shows that they are very much aware of this fact. As the hon. member for Saskatoon (Mr. Knight) pointed out this afternoon, the Russian output of scientists and engineers will soon exceed that of all the countries of the free world combined. The very shortage of scientists, engineers, physicists, chemists, doctors, teachers and those of other professions in Canada shows that either we are not alive to the problem or that existing facilities are not adequate. In any case we are not meeting the need.

I was very glad to hear the hon. member for York Centre (Mr. Hollingworth) emphasize the importance of the humanities. One of the causes of the troubles in the world today is that scientific training has far outstripped our moral and mental training. Material progress has outstripped our spiritual progress. Our greatest problems today are not scientific or economic. They are social and political. We need minds trained in the humanities to come to grips with these problems and find a way out. We need minds trained in science and the humanities to grapple with what is perhaps the greatest problem of our age—to find a way so that the wealth produced by the machine can be distributed, so that the machine can be employed with maximum benefit and all the blessings that can flow from the machine may be fully enjoyed by all mankind.

Another reason why I support the resolution is that it will help in some degree to offset one of the defects in our present system of education. Today our educational system is such that we try to educate our children en masse and because we do that the only selection of students that is made is that performed by the universities themselves. It sometimes happens that a person attends university who perhaps should not be there. He is there because his parents have money and ambition, and because they have money and ambition they decide that their son must

be a doctor, lawyer or engineer. Although he turns out to be only a very average student, because his parents have the means he is able to take one or even two years longer than necessary to secure a degree. On the other hand, there are many brilliant students who would be a great credit to a university, who would render great service to their country and their fellow men but who cannot get the necessary training because of lack of means.

The hon. member for Victoria, B.C. (Mr. Fairey) drew attention to the waste of intellect and ability that is a product of our present educational system. As an ex-teacher and one who spent a number of years supervising schools I can testify to the accuracy of his statement. Time after time I saw tremendous talent, a tremendous brain, buried in some little outport village, a young person whose parents were barely existing on a subsistence level and who perhaps had no hope whatever of even being able to go to high school. Time after time I saw children with great talent for art, sculpture or music who were without the opportunity or even the hope of being able to develop these God-given talents.

The mover of the resolution has not given us very much information as to the methods by which the resolution might be implemented. As it stands now, it calls for grants to be furnished by the government. I believe there are greater possibilities than those implied in the terms of the resolution. I have become intrigued with the idea that it might be possible to tie in such scholarships with the idea of a national memorial to veterans of both wars. In the course of his remarks the hon. member for York Centre stressed the idea that such scholarships would serve to build unity in our nation, and if we can kill two or three birds with one stone I think we should endeavour to do so. It has occurred to me that if a student in Newfoundland received a scholarship given in memory of some deceased veteran from Quebec what a bond of unity would result. What an opportunity there would be for better understanding! Two different families from two different provinces and with two different backgrounds would have a mutual or common interest in each other and an incentive to learn more and more about the family, the background and the life of the person who was being commemorated by that scholarship. I do not know whether or not that idea is feasible. It just occurred to me as I was listening to the speeches this afternoon. I mention it because I think it deserves some consideration.

Perhaps it would be better not to set up any arbitrary rules as to how these scholarships might be implemented. Perhaps it would be wiser to set up a committee that might consider all the aspects of the situation and make recommendations. I heartily agree with my friend the hon. member for Halifax (Mr. Balcom) in what he said about providing scholarships for nurses and for students who wish to become bilingual in the two official languages of our nation. I should like to go even further than he has gone. I should like to see scholarships provided for people who have talent for art and painting, music, singing and literary pursuits. All of these things are needed in Canada. All of them will enrich our culture and our nation.

Before I close, Mr. Speaker, I should like to offer just one more idea. I think it would be a fine thing if we could also extend some national scholarships to students of other countries, particularly to students from Asia, India and Africa. In November, 1954, it was my privilege to attend the conference of UNESCO at Montevideo in South America. While there I had occasion to meet a number of students who were proud to tell me that they had been educated in Canada, having been enabled to come to Canada by means of a scholarship. It was, of course, a scholarship that was provided by the university which they attended. In the interests of mutual understanding and in an effort to show our interest in our friends in other countries who are clamouring for education but who do not have the facilities we have, and who are trying to build up their own country and their own economy, I think it would be a great thing if we had something like a Colombo plan in education. I am sure that money spent in this way would come back repaid a thousandfold.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, last December by request of President Eisenhower some 2,000 United States educators met in Washington to discuss a national emergency. That national emergency was the United States school system which, according to this group, was rocking dangerously on its foundations and also on its premises. We in Canada would not approach the problem of education from that dramatic standpoint. However, from the interest displayed in this debate today, it is obvious that we are becoming more and more concerned about the problem of education in Canada.

As I look at the resolution before the house, it seems to me to be a nice, middle-of-the-way course between two other educational problems that have been discussed from time to time in this chamber. In the first instance there is the perennial resolution put forward

by the hon. member for Saskatoon (Mr. Knight). It suggests that consideration might be given to general federal aid for education. On the other hand we have the resolution of the hon. member for Lambton West (Mr. Murphy) who draws attention to the fact that our research facilities in this country are far from adequate and that some action should be taken by the federal government to increase our activity in that regard.

To come to the resolution recommending a more extensive use of scholarships and bursaries in order to deal with this growing problem, it seems to me that it gets around the difficulty with which this parliament is always confronted when we discuss federal aid for education. I refer to the constitutional problem involving the exclusive right of the provinces to deal with any matters relating to education. I am happy to support the resolution that we have before us this evening. I say that it is encouraging to note the increased interest displayed by hon. members on all sides of the house and from all parts of Canada. However, if we look outside this chamber, Mr. Speaker, I think we shall find that there is an even more intense and wider interest in the matter of education—particularly on the university level—in Canada today.

When the royal commission on the arts, letters and sciences was meeting in the various parts of Canada no less than 143 briefs presented to that commission made a suggestion to the effect that some form of bursary assistance should be made available to our brighter young people. As you scan through the recommendations of that report you find that two basic principles emerge relating to this matter. First of all, a democratic educational system must ensure that capable students shall not be prevented by financial need from completing their education. That is the first general theme that runs through all the recommendations that were presented to the royal commission. The second general theme is that Canada's future development depends upon an adequate supply of intelligent and well-trained research scientists and scholars.

To deal with the first general principle, Mr. Speaker, it is of course obvious that we are not making the most of our potential human resources on the university level. We are not ensuring that capable students shall have the opportunity to proceed to advanced education. Unfortunately, the main deterrent to the realization of this end is the economic and financial factor. That of course is not the only deterrent. We are still a young nation. Some parts of the country are still in the frontier period of development, and on the frontier in the outlying areas of the country there are neither the traditions that would encourage our younger people to continue their education on the higher level nor the personal incentive. Therefore, in addition to the financial and economic factor, we must also keep in mind that there are other problems producing Canada's relatively poor record on the level of higher education.

However, this resolution deals mainly with the economic and financial factor. From a personal contact with the problem in one of the western provinces, I can say there is a close relationship between the amount of schooling a child receives and the economic status of the parents. That conclusion has been arrived at by statistical analyses. You find that by far the larger percentage of your students at the university level come from relatively more well-to-do families in Canada.

It is true, as several hon. members have mentioned in this discussion, there was a time in the earlier stages of development that anybody who so desired could receive a university education by means of working his way through college, and a good many hon. members have already given testimony of their own experience in this regard. Unfortunately, today costs have risen to such an extent in our universities; board, room and the costs of books and so forth, have risen so excessively that it is almost impossible for a student to go through college, and particularly to take some professional training, unless he has some form of financial assistance, or unless his family happens to be in the higher income brackets. Therefore it seems obvious to me, Mr. Speaker, that we need to broaden quite extensively the scholarship and bursary basis behind our system of higher education.

If we were to take the time to examine the bursary situation already prevailing in Canada we would find it to be totally inadequate. Most universities make a very noble gesture in this regard. Some commercial firms, and private corporations have provided very generous scholarships, scholarships of sufficient size to make it possible for an exceptional student to carry right through to the end of his professional training. But if you examine the catalogue of any of our universities you will find that most of the bursaries and scholarships are in the $200, $300, $400 or $500 category, and that is far from adequate to meet the average costs of a year at university today, which amount to something like $1,200. When only a small part of that necessary money is available, it becomes more of a headache than an asset in helping the

student to pursue his chosen course. I know that at the college in our own city, which is a liberal arts and sciences college, we get very generous support from the local merchants who give memorial scholarships of various kinds, but again they are within the smaller limits that I have already mentioned.

I want to make this observation. At the level of graduate studies, Canada is in a much better position than she is at the level of undergraduate studies. One of the reasons for this relatively better position in the graduate studies is the generous encouragement that Canada's national research council gives to graduate students pursuing advanced work in the field of the physical sciences. Of course, the national research council is sponsored by the federal government.

The Department of National Health and Welfare has also given some encouragement to graduate students. I should like to suggest, Mr. Speaker, that good as this is, it is rather looking at the problem from the wrong end. In order to get to graduate level, you must proceed through four or five years of strenuous and expensive undergraduate activity, with the result that many of those who would be qualified to proceed to the rarefied atmosphere of graduate studies and become the leading scientists and scholars in this country are prevented from ever embarking on that worthy goal because they are stymied at the level of university entrance.

We should also note that a good many of our graduate students working in Canada have their eyes on the United States rather than on Canada when they have finally finished their courses of studies. One of the reasons is that the United States has a much more comprehensive program for graduates. They are quite happy to invite and to induce our brighter Canadian students across the border by means of their very generous scholarships program. We are constantly reminded that migration across the border has been taking place at rather alarming proportions for many years in Canada and unfortunately among the migrants are many of Canada's brightest young people, who go south to seek higher learning and pursue the wider opportunities available there. Therefore, I think we can conclude, without enlarging on the subject further, by saying that we are hardly providing a sufficient financial inducement to make it possible for bright young Canadians to pursue a course of study.

What about this other matter of the adequate supply of intelligent and well-trained research scientists? I will agree with those who have suggested tonight that not everybody is capable of making the most of a university education. I think that is implicit in the resolution here before us because the program of scholarships and bursaries operates to a certain extent as a screening procedure. It encourages only the brightest and the most capable young people. I include in that phrase "most capable" not only those with the highest intellectual capacity but also those with that more intangible quality of character and moral stamina. In the very nature of a bursary program there is a tendency to encourage those who are qualified from that broader perspective. In fact, the royal commission has laid down specific recommendations as to the type of scholarship program which might be sponsored by the government of Canada. For instance, it suggests that 100 annual scholarships of $1,000 each might be made available to students of outstanding ability; only 100 annual scholarships mind you. It suggests further that 250 scholarships of $500 might be available and 2,000 bursaries of $500 for diligent students on the basis of need. That is not a particularly broad or comprehensive program but if we were to actually look at the picture presented by the normal curve of the distribution of intelligence the number of people in any population grouping who possess the higher intelligence quotient making it possible for them to take the best advantage of advance training is a relatively small percentage, 15 or 20 per cent of the total population at most. The rare category among the human species, those of unusual brilliance who are potential geniuses represents only 5 per cent of the total population. The tragedy is that many of our students who are possessed of this high degree of intelligence are denied the opportunity of advanced training to prepare themselves to serve in the various fields that are waiting for people of exceptional talent, because of economic factors, because of isolation from centres of university training and because of lack of incentive. The scheme proposed by the royal commission on the arts, letters and sciences and supported by many hon. members here today would, I am sure, go a long way to deal with the very urgent problem that is confronting Canada at this time.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I have listened most attentively to this debate which has been held on a very high level. Most of the hon. members who have taken part in the discussion have been those gentlemen who have received university education and they knew something about the subject which they were discussing. I have not had a university education. I wonder what contribution to this debate would be made by the hon. member from Vancouver-Kingsway (Mr. MacInnis) if he were in his

seat tonight? Many of us remember his telling us of the time that he drove a milk wagon through the streets of Vancouver. He also did not have the opportunity of a university education. I think my hon. friend from Medicine Hat who had such a distinguished career with the government of Alberta could make a valuable contribution. He could speak of the people whom he knew who had had university education whereas he and I did not have such an opportunity. I think, therefore, it would be of value if someone who has not had a university education should rise and contribute to the discussion on this resolution.

I had to leave school at grade 7; I did not complete grade 7. At that time I was 12 years of age. I had to go to work because of sickness in my family and I kept my small family on my wages which amounted to $15 a month. I frequently wonder how much a university education would have done for me. I had not completed grade 7 and I was one-half of 1 per cent away from the Governor General's medal in Saskatchewan. Two people in the school I attended could have been awarded the Governor General's medal. I was one-half of 1 per cent away from receiving it and the young man who did receive it had a father who could afford a university education. That young man's name is now a household word in Canada. I do not know what the future might have held for me if I had had the same advantages. However, that is an example of what can be accomplished with higher learning when one has financial resources behind one as compared to not having sufficient money to obtain university training.

As I said, I wonder what my friend the hon. member for Vancouver-Kingsway would have said in this debate if he was not busy in his office at the moment. I can well imagine what he would have said about the advantages of having an education in his own inimitable way in regard to his associates. I also wonder what my friend the hon. member for Kootenay East (Mr. Byrne) would have said in this debate. Without a university education he has done a magnificent job in the labour field, as we all know. Whether a university education would have assisted him is a matter of question but there is no doubt in my mind that it would not have hampered him in his career.

I wonder about the value of education in relation to the problem of juvenile delinquency which confronts us. Some time ago I was fortunate enough to be the chairman of the school board in Burnaby, and because I held that position I suppose I know a little about what young people think. I remember that one young boy who was attending Burnaby South high school wanted to become a chemical engineer. His father was killed in a traffic accident and six months later he left high school and took a job delivering groceries in a truck. That young man was a potential scientist. I wonder what his contribution to our society would have been if this government or all governments had joined together to assist this young man who had attained wonderful marks in high school. I know of another young man who was working as a truck driver. He wanted to become a physician. His parents were killed in a train wreck just outside of Saskatoon some years ago. I wonder what this country is missing by not having the contribution of a young man with that type of mentality.

We have listened to several splendid speeches concerning the problem of juvenile delinquency. I wonder about the relationship between juvenile delinquency and the frustration of young people who get themselves into trouble partly because they envy other young people whose parents' financial position enables them to attend high schools and universities. I wonder if that frustration has anything to do with the juvenile delinquency problem in Canada? Perhaps not, but I suggest we give it some thought; it is a thought on the level of a man who never went to university. Perhaps those people who went to university could judge it in a different way. I envy the hon. member from Brandon-Souris (Mr. Dinsdale) because he seems to know exactly of what he speaks in this matter. He puts it so well. I appreciate the experience behind the remarks of the distinguished hon. member for Victoria, B.C. (Mr. Fairey) when he spoke in the debate this afternoon. By ability alone he became the deputy minister of education in his province. These men speak from experience.

I do not know whether someone like me, getting up in a debate like this and asking the government to spend more money for the greatest asset we can have, is making any contribution, but I have made what little contribution I could. I believe that with this government's help and the help of other governments every young person in Canada should have the opportunity to have his own future in his own hands.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I am tempted by reason of the last speech to digress for a moment, because while we are talking about university education tonight, and while those of us who have been at university would like to think that we have not wasted our time, nevertheless I think we all recognize that education is

not confined to university people. It so happens that when I was in business I was associated closely with two men neither of whom had ever been near a university. They were two of the best educated men I have ever known. Incidentally one of them could use the English language better than 90 per cent of university graduates, for the very simple reason that he had been saturated with the King James version of the Bible which had given him a beautiful English style.

Mr. Murphy (Lambton West): He would not be a Presbyterian?

Mr. Macdonnell: He was not a Presbyterian, no, and that was one of his few defects. I think we all ought to be grateful for this debate. We ought to be grateful to the mover of this motion, and we ought not to forget those to my left who have brought this matter up year after year and who have also made a notable contribution today.

It is interesting to be told by the hon. member for York South (Mr. Noseworthy) that when he came to this house 14 years ago they just did not talk about education. We have moved since that time and it is no longer so exclusively provincial. Those of us who have been associated with universities have every reason to be grateful for the substantial assistance which we have had from the dominion. As has been recalled tonight, we are also most grateful for what has been done, particularly in the realm of the national research council and in connection with war veterans.

One of the things that has interested me today is to realize that apparently university graduates are much more appreciated than they used to be. There was a time when people did not flaunt too much the fact that they were university graduates. It was considered that you had better get into business and try to make your way and win confidence and then let people discover gradually that you were a university graduate. There was a feeling in those days that a university graduate was apt to be high-hat and superior.

I would infer from what has been said during this debate that those days are pretty well past. It is clear that the need is great and the problem is going to press hard. It is not only a problem of technicians, but happily it seems clear that those in business who have to make selections from young people are appreciating much more than they did years ago that a broader education, which has been in danger of being shoved into the corner, particularly in wartime when we had to stress the technical side so much, should now take a more important place in our educational program.

It seems to me that there are two or three questions which arise with regard to these scholarships. The hon. member for Digby-Annapolis-Kings (Mr. Nowlan) pointed out that there had been a tendency to regard scholarships as being confined to graduates and he stressed the fact that these scholarships should go to undergraduates as well. I find myself in sympathy with the hon. member for Fort William (Mr. McIvor) when he suggests that there should be a lot of self-help in these matters. I was made rather dizzy when the hon. member for Burin-Burgeo (Mr. Carter) said he had earned $1,000 toward his university course. I never got within sight of $1,000; if I earned $100 during the summer I thought I was doing pretty well. I am assured by the hon. member for Digby-Annapolis-Kings that he was also under the dire necessity of earning his way through university.

The universities are going to be faced with tremendous problems. I am reading now from the Toronto University *Quarterly* in which they make the calculation that in 10 years from now there will be from 110,000 to 135,000 in Canadian universities as compared with the present total of 65,000. I read to the house the other day a formidable series of comments by the British press reflecting the great burden which is being put on us in the matter of competition with Russian education.

A suggestion has been made that a royal commission should be appointed. One is inclined to be afraid of royal commissions, but on the other hand it does seem to me that here is a problem every bit as important as the economic problem which is being studied by a royal commission. Indeed you could argue that to try to look forward into the course of our education is more important because if we do not have education, no matter what the royal commission may find as to our future, we will not be able to satisfactorily carry it out.

It seems clear to me after listening to the discussion that there are two sanctions, so to speak, for these scholarships. One is what you might term a scholarship given on an economic basis, by reason of need, and the other is a scholarship given on the basis of talent. That seems to me to involve very difficult questions. All universities are seeking scholarships which are usually scholarships for talent—I think I can say that almost universally they are scholarships for talent.

Of course the universities would be glad to get any assistance they can from governments. The Massey report made many recommendations as to scholarships, only a few of which I believe have been carried out. As I understand it, they are on the talent basis, what you would call the professional basis. They are to be given as assistance to all kinds of people whose talents we desire to cultivate and nurture.

It seems to me that the problem is a difficult one and I am wondering whether there is not some way in which the government and the university authorities could consult with each other. I am sure that the university authorities are constantly giving their best attention to this. I believe there is an association of university presidents. Even a believer in private initiative like myself would hope that in some way there could be a common plan, there could be co-operation among the universities and we would not be left just with the rugged individualism of each university doing what it could. I would hope that in some way there would be a plan.

It seems to me that the one thing that arises immediately is how far are we going to allow the problem which is being so much discussed, the tremendous technical progress of Russia, to twist or even to distort our education. How far are we going to maintain the balance between the humanities and technical subjects? I do not think I need take up the time of the house any longer. I feel that this is just as important as the economy of Canada, and somehow or other as a result of this discussion I would hope that progress could be made to this end.

Before I resume my seat I should like to say that I would not want university presidents to be faced suddenly with some cut and dried plan. I should think that the university presidents would be the best people to offer information as to how the matter might be studied, how progress might be made, because there are many aspects of this and it will require all the wisdom we can summon to solve them satisfactorily.

Mr. Pickersgill: Will the hon. member permit a question. He stated that when the hon. member for York South (Mr. Noseworthy) came into the house education was practically never discussed, or that the hon. member had said so. I am sure the hon. member did not want to be unfair, and I imagine he had forgotten that my hon. friend, the Minister of National Health and Welfare (Mr. Martin), started talking about scholarships in the first session he was here, in 1936, and that he got some results.

Mr. Macdonnell: I am ready to make whatever apology I should to the Minister of National Health and Welfare. In those days I was merely one of the underworld, working away in business, and perhaps I was not as familiar with those great things as I should have been.

Mr. J. A. Blanchette (Compton-Frontenac): Mr. Speaker, the subject matter of this resolution reverses the flight of time for me some 18 years or so back to 1937, when I had occasion to speak on a similar resolution. As the Minister of Citizenship and Immigration has just stated, the resolution for national scholarships had at that time been introduced by the then member for Essex East, who still has the honour to represent—and ably represent—this same constituency in the person of the Minister of National Health and Welfare (Mr. Martin).

The resolution of 18 years ago was very well presented, and the exposé that the sponsor made at the time fully outlined the needs as well as the possible consequences of putting the resolution into effect. Since that time similar resolutions have been introduced into this house, predicated always on the beneficial results which would be derived nationally by the implementation of its subject matter. Although 18 years have passed since the first resolution was introduced by the hon. member for Essex East in 1937, we have had this afternoon positive and tangible evidence of another very able presentation of the subject matter of the present debate, by the hon. member for York Centre, who introduced the resolution. I wish to congratulate him on his speech this afternoon on national scholarships, and his invitation, especially to the members from Quebec, to take part in this discussion is the reason why I am only too glad to support the resolution presented to us by him.

It is patent to us all that the purpose of the resolution is to supplement, if possible, the educational efforts not only of the federal and provincial governments but of all existing organizations interested in the subject of education.

Education is a heritage that we ourselves in this generation must assist in every possible way so that, as we pass from the field of activity, we shall leave behind us those who are probably better educated than we have had an opportunity of being. The resolution also means a greater use of our educational system and making of that system a greater national asset and a greater national benefit.

That there is often financial embarrassment to many of our students cannot be gainsaid.

If we take into consideration the fact that 44 per cent of the children of the country issue from 14 per cent only of Canadian families, the assistance which can be given to needy students is recognized by all of us as one of the best investments a country can make.

In 1948-49, when university enrolment in the country had reached the total of 80,000, 30 per cent were ex-servicemen holding bursaries from the federal government. Apart from ex-servicemen, only one out of six or seven students in Canada, or less than 14 per cent of the total enrolment in Canadian universities, were holders of scholarships, even when participants in vocational training schemes were included.

In 1938, 14 per cent of Canadian students were scholarship holders. It must therefore be admitted that we have not made very much permanent advance in the 10 years from 1938 to 1948.

On the other hand, in Great Britain, in 1947, 25 per cent of the students, apart from ex-servicemen, held bursaries. Present government plans in Great Britain will result in the increase of this proportion to 70 per cent of the total number of university students. In the United States, 20 per cent of university students are on scholarships.

The report of the royal commission on national development in the arts, letters and sciences mentions that 143 briefs had been presented to it up to 1950, and among these were those presented by the National Conference of Canadian Universities, the Trades and Labour Congress, the Canadian Congress of Labour, the Canadian and Catholic Confederation of Labour, and the Professional Institute of the Civil Service of Canada.

All of this goes to show the very high importance of the matter of education in the view of Canadians.

It is admitted by almost each and every one of us that, in accordance with the confederation act, education is under provincial jurisdiction. In no way must this requisite be interfered with, and at all times must this precept be adhered to.

I have been impressed this afternoon by the declaration of the hon. member for York Centre of the very small percentage of financial grants affecting students directly, out of the total grants made. I am wondering whether the matter could not be gone into with a view to increasing that percentage of only 6 or 7 per cent—if I recall correctly—that directly affects the students.

I know that it behooves each and every one of us to do all we can to increase, whenever it is possible to do so, the assistance for needy and worthy students. I am wondering also whether some of our industries could not do a little more than they have done in the past in the establishment of scholarships particularly for worthy needy students. Corporation profits in 1954, for example, totalled $1,800 million. The figure for 1955 is estimated to be over $2¼ billion, an increase in profits of over $400 million in the last year. Surely here is a splendid opportunity for the corporations of Canada to lend their assistance to the establishment of national scholarships. In doing so they will not only assist needy students but will also assist themselves at the same time to secure the scientists and technical men they will need in the future.

The great need is for first-class men to give leadership and inspiration through their own brilliant, original discoveries. The future depends not only on the continued liberality of government agencies but on the number and quality of the men induced to do research work. The greatest need is to discover and train these men, and surely the resolution of the hon. member for York Centre (Mr. Hollingworth) will, if implemented, assist us to attain the aim envisaged.

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I am very pleased to enter this debate and with the assistance of one of the cabinet ministers to have on record the very important fact that this matter has been before parliament for about 18 years. My plea this evening is simply that we have a change from words to cabinet action. I regret, and I am sure we all do, that the resolution does not come from a cabinet minister as it would then be the prelude to a bill which would do something about the matter. In the time I have been in the house I have read a number of copious commission reports. I could refer to the Massey commission which was set up to find out what should be done in Canada to assist in the development of the intellectual resources of our country having in mind the keeping in Canada of young men trained in our universities instead of watching them migrate in their thousands to the big country to the south of us.

I want to congratulate the hon. member for York Centre (Mr. Hollingworth) on adopting this great cause. I wish him well, and I can guarantee him support similar to what he has had from all the opposition. I hope he can convince the cabinet that something should be done about the matter.

I could not speak tonight without paying tribute to the member from the university city of my own province, the hon. member for Saskatoon (Mr. Knight), who spoke so ably this afternoon and who for years has sponsored the cause of education of Canadian

youth and university training. I want also to congratulate the Canadian university students association on the work they have done in contacting members of the house and asking them to support the resolution by letting the government know that by and large the Canadian people are solidly behind something being done at this time.

I do not suppose any teacher in Canada could fail to be moved by the shocking waste of some of the finest intellects that enter our public schools, a waste brought about because of poverty, with the result that these young people are not able to take higher education and some of the brightest minds of our country are lost to the nation. This has been a matter of concern to me ever since I was a student in high school. I will never forget the plea expressed in Thomas Gray's "Elegy in a Country Churchyard" where, referring to the graves of the people from that rural area, he said:

> But knowledge to their eyes her ample page
> Rich with the spoils of time did ne'er unroll;
> Chill penury repress'd their noble rage,
> And froze the genial current of the soul.
> Full many a gem of purest ray serene
> The dark unfathom'd caves of ocean bear:
> Full many a flower is born to blush unseen,
> And waste its sweetness on the desert air.

The time has come for Canada to stop wasting these gems of intellect, these flowers of beauty. Today the world is changing very rapidly. It is more evident than ever that no nation can hope to rise in the scale of peoples unless it maintains the highest possible training of the greatest number of its people who are capable of taking university training and benefiting from it. Scientific and cultural advances are made in the world today at breathtaking speed, and the very existence of our nation depends more and more on our ability to train the intellect of our youth.

A few years ago, when more opportunities were available, young people could earn enough to put themselves through universities much more easily than they can today. The resolution of the Canadian university students association, forwarded by the students' representative council of the University of Saskatchewan, draws this fact to the attention of hon. members in these words:

> Whereas there are many university students in real need of financial assistance;
>
> And whereas still more persons anxious to attend university are prevented from doing so by financial necessity;
>
> And whereas the cost of attending university has been rising more rapidly than the earning power of students;
>
> And whereas assistance available to Canadian students compares unfavourably with that available in other countries;
>
> And whereas it is a loss to our Canadian social, cultural and professional life as well as to the individual concerned whenever anyone abandons or does not enter university for financial reasons;
>
> Be it resolved that the students' representative council of the University of Saskatchewan:
>
> 1. Supports the current national student campaign for increased and more numerous government scholarships and bursaries.

They also go on to say:

> In view of the urgency of this situation, specific and immediate governmental action should be taken to provide such scholarships.

They do not need to urge the members of this group to support such a resolution. Every year we lose thousands of university students and many university graduates to the United States. Surely that is a sign that we in Canada are not providing opportunities for them within our own country. The development of the natural resources of this country should be the job of the young people whose minds have been trained in Canada. Can we not provide that opportunity here? The time is long past when effective action should have been taken by the government with regard to this matter.

I support the idea put forward this evening by the hon. member for Fort William (Mr. McIvor) with respect to the provision of a revolving fund. Many students would welcome the opportunity to take advantage of a revolving fund program under which they could borrow money to attend university. After they had graduated they could then make use of their higher earning power to repay the money to the fund in order to assist other students in the same way.

There is one thing, however, that we must all face and that is the question of educational facilities in Canada today. If we are going to have more students in our universities then it is quite evident to anyone who has surveyed the situation at all, that Canada needs additional university facilities most urgently. Dr. Sidney E. Smith points out that we are very inadequately equipped even for the 65,000 students who are attending our universities today. The problems facing our universities are most serious; they are inescapable and imminent. The trouble is that the basis of support of our universities is entirely inadequate. It is a matter of serious national dimensions which cannot be overcome and remedied without government assistance on the national level. As a nation we dare not neglect this matter. As a parliament, we are each and all responsible for immediate action in Canada on this matter.

Modern society is making greatly increased demands on the universities. Obviously those demands can be fulfilled only if society is willing to meet the demands of the universities. The universities just cannot exist, let alone expand, on "good will and fair words".

This problem is bigger than this government appears to realize. It is the present government that is responsible. Action is urgently needed. Surely the word of the greatest experts in education in the dominion should be taken when they put forward such reports as we find in the Toronto University monthly of January 1956. Every recent report on higher education throughout the country stresses this point—indicating that a matter that previously was sponsored just as a good cause today has become one of national necessity. From a federal government point of view, our record in this field is pitiable. In view of the national importance of the matter, I think the record is just one of complete neglect. I regret exceedingly that there has been no evidence of federal action at the cabinet level before this time.

I take great pleasure in supporting this resolution. I only hope that what has been said here today will be a step forward in convincing the cabinet of Canada that the Canadian people are aware of this extremely important and imminent problem. It is their responsibility to act on it now.

Mr. P. T. Hellyer (Davenport): Mr. Speaker—

Mr. Hansell: Mr. Speaker—

Mr. Speaker: At this moment I think I should call on the hon. member for Davenport if we are to follow the pattern that has been followed since the beginning of this debate.

Mr. Hellyer: Mr. Speaker, it is a real pleasure for me to support this resolution sponsored by the hon. member for York Centre (Mr. Hollingworth). He is to be commended for his initiative and for the considerable research which was necessary in the preparation of his opening address.

In November, 1954, the students administrative council of the University of Toronto invited all members of parliament for the Toronto metropolitan area to attend a meeting sponsored by that council for the purpose of seeking support for increased and more numerous government scholarships and bursaries for Canadian students. The meeting was well attended. The hon. member for York Centre was there, as were the hon. member for York South (Mr. Noseworthy) and many others. It was ably presided over by Mr. William Angus, who occupied the chair. Mr. Angus at that time was president of the students administrative council.

I should like to mention a few of the points that were contained in their brief. The first point they mentioned was that there are a substantial number of Canadians who are qualified to obtain higher education and who do not obtain it because they lack the necessary means. From my own personal experience, Mr. Speaker, I know of a number of people in my year at school who were unable to proceed beyond the high school level and to take university training simply because their parents did not have the financial means necessary to support them.

Canada lags far behind other countries, particularly the United Kingdom, in the amount of assistance provided students. If the twentieth century is truly to belong to Canada we must overtake other countries in this field. As was mentioned earlier, the Russian government is sponsoring many scholarships, particularly in the sciences, in the hope of graduating a sufficient number of engineers to overtake us in technology. We must do everything possible to make sure that we keep up to, and indeed ahead of them in every field.

A university education is increasingly necessary to any sort of personal advancement. It therefore must be freely available if the best qualified are to hold the key position in Canadian society.

A bursary scheme of this kind would aid in recruiting older students with work experience who add greatly to a university, as was shown by the D.V.A. experience. I was one of those people who were fortunate enough to receive government assistance after the war. I feel that it is my responsibility and duty to do anything I can to obtain the same assistance for others. The benefits conferred on this country by this program are so great as to be difficult to calculate.

Such a program would be broad enough to assist the valuable "good" all-round student as well as the merely brilliant one.

Mr. Speaker, may I move the adjournment of the debate.

On motion of Mr. Hellyer the debate was adjourned.

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:

AMOUNTS SPENT BY TOURISTS

Question No. 1—**Mr. Murphy (Lambton West):**

1. For each of the calendar years, 1952 to 1955 inclusive, (a) How much money in Canadian dollars was spent abroad by Canadian tourists? (b) In what countries was such money spent and how much was spent by Canadian tourists in each of such countries?

2. For each of the calendar years, 1952 to 1955 inclusive, (a) How much money in Canadian dollars was spent in Canada by tourists from other countries? (b) What are the countries whose nationals spent such money and what were the respective total amounts spent by tourists from each of the said countries?

Answer by: **Mr. Howe (Port Arthur):**

1. (a) Canadian expenditures on travel in other countries:

	$ Million
1952	341
1953	365
1954	382
1955	not yet available.

(b) Breakdown by countries in which expenditures were made:

	United States	United Kingdom	Other Sterling Area	Other O.E.E.C.* Countries	All Other Countries
	$ Million				
1952	294	27	5	13	2
1953	307	31	6	18	3
1954	313	35	7	23	4
1955	not yet available.				

2. (a) Expenditures in Canada by travellers from other countries:

	$ Million
1952	275
1953	302
1954	302
1955	not yet available.

Questions

(b) Breakdown by countries on origin of receipts:

	United States	United Kingdom	Other Sterling Area	Other O.E.E.C.* Countries	All Other Countries
	$ Million				
1952	257	10	3	4	1
1953	282	12	3	4	1
1954	280	13	3	4	2
1955	not yet available.				

* Organization for European economic co-operation.

APPLE AND POULTRY PRODUCTION, N.S.

Question No. 6—**Mr. Balcom:**

1. What was the dollar value of the apple production in Nova Scotia in (a) 1945; (b) 1955?

2. What was the dollar value of the egg and poultry production in Nova Scotia for the same years?

3. What proportion of Nova Scotia's agricultural production does each represent?

Answer by: **Mr. Howe (Port Arthur):**

1. Value of apple production in Nova Scotia: 1945, $1,178,000; 1954, $2,114,000; 1955, not yet available.

2. Value of egg and poultry production in Nova Scotia: 1945, not available; present series commenced in 1946. 1946, $6,942,000; 1954, $11,945,000; 1955, not yet available.

3. Proportion of Nova Scotia's agricultural production:

	Apples	Poultry and Eggs
	%	%
1945	3.32	—
1946	—	15.73
1954	3.89	22.0
1955	not yet available	

WHEAT STORAGE AND DELIVERIES

Question No. 10—**Mr. Johnson (Kindersley):**

1. What was the quantity of wheat, all grades, in store at (a) Fort William-Port Arthur; (b) Churchill; (c) Vancouver; (d) other terminals, on the first of each of the months of August, September, October, November, December, 1955, and on the 1st of January, 1956?

2. What was the quantity of wheat, all grades, delivered to the above terminals during the months of (a) August; (b) September; (c) October; (d) November; (e) December, 1955?

Questions

Answer by: **Mr. Howe (Port Arthur):**

1.

—	STOCKS			
	Fort William and Port Arthur	Churchill	Pacific Coast Terminals	Other Terminals
	—bushels—			
July 31, 1955	40,509,330	2,266,337	8,279,185	15,727,985
August 31, 1955	46,106,057	2,261,283	9,414,427	15,750,925
September 28, 1955	46,064,190	1,979,819	11,626,298	15,828,815
November 2, 1955	44,520,197	2,349,747	8,542,440	15,550,232
November 30, 1955	40,089,352	3,509,184	5,378,686	15,552,660
December 28, 1955	30,960,810	4,205,749	7,173,231	15,078,997

2.

—	RECEIPTS			
	Fort William and Port Arthur	Churchill	Pacific Coast Terminals	Other Terminals
	—bushels—			
August, 1955	14,920,144	4,833,260	8,277,438	596,480
September, 1955	7,123,964	4,684,499	6,035,143	131,942
October, 1955	5,886,060	3,294,656	3,068,269	20,294
November, 1955	12,688,317	1,205,953	3,271,786	48,161
December, 1955	8,994,198	696,565	7,641,454	37,840

FINGAL AIRPORT—PAINTING

Question No. 35—**Mr. McBain:**

1. Has any painting been done at Fingal airport within the last six months?
2. If so, were tenders called for such painting?
3. If tenders were called, in what publications were such tenders advertised?
4. What were the dates of such publications?
5. What were the names of the contractors tendering?
6. What was the name of the successful tenderer and what was the amount of his tender?

Answered by: **Mr. Howe (Port Arthur):**

1. No.

2, 3, 4, 5 and 6. Answered by No. 1.

RESCUE OPERATIONS, B.C.—USE OF HELICOPTERS

Question No. 37—**Mr. Pearkes:**

In how many instances, during 1955, were helicopters of (a) United States coastguard; (b) Royal Canadian Air Force; (c) Canadian companies, employed in rescue operations in British Columbia and waters adjacent to that province?

Answer by: **Mr. Campney:**

(a) 5.

(b) 1.

(c) 2.

Record is kept only of those instances in which helicopters were used in rescue operations co-ordinated by the R.C.A.F.

OSHAWA, ONTARIO, PUBLIC BUILDING

Question No. 46—**Mr. Starr:**

1. Has the government made any further attempts to dispose of the old post office and customs building in Oshawa, Ontario?
2. If so, have they been successful?
3. If not, what are the plans for the use of these two buildings?

Answer by: **Mr. Winters:**

1. No; matter under consideration.

2 and 3. Answered by No. 1.

CHARLOTTETOWN, P.E.I.—PURCHASE OF LAND

Question No. 48—**Mr. Matheson:**

1. Did the Department of Public Works purchase a piece of land at Charlottetown for the fisheries department?
2. If so, from whom was the land purchased, and what was the price paid?
3. For what purpose was the land purchased for the Department of Fisheries?

Answer by: **Mr. Winters:**

1. Yes.

2. (a) Mr. S. P. Paoli. (b) $5,500.

3. To replace rented accommodation for the winter storage of departmental patrol boats, motors and equipment.

HOUSE OF COMMONS

Friday, January 27, 1956

The house met at eleven o'clock.

INCOME TAX

AGREEMENT BETWEEN CANADA AND DENMARK FOR THE AVOIDANCE OF DOUBLE TAXATION

Hon. Stuart S. Garson (for the Minister of National Revenue) moved for leave to introduce Bill No. 8, to implement an agreement between Canada and the Kingdom of Denmark with respect to income tax.

Motion agreed to and bill read the first time.

INCOME TAX ACT

AMENDMENT RESPECTING COMMUNICATION OF INFORMATION

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 9, to amend the Income Tax Act (communication of information).

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to lift the iron curtain of secrecy with respect to corporation income tax returns.

Motion agreed to and bill read the first time.

AMENDMENT TO PROVIDE FOR HEARING OF CORPORATION APPEALS IN PUBLIC

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill No. 10, to amend the Income Tax Act (corporation appeals).

Some hon. Members: Explain.

Mr. Knowles: Mr. Speaker, the purpose of this bill is to provide that appeals by corporations before the income tax appeal board be heard in public.

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

REQUEST FOR TABLING OF ORDERS IN COUNCIL PERMITTING ARMS SHIPMENTS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that it has been announced that there will be a debate on external affairs starting on Tuesday next, could the Prime Minister arrange to have the order in council of July 7, 1955, tabled? This order in council was referred to by the Minister of Trade and Commerce (Mr. Howe) in his remarks a few days ago.

Right Hon. L. S. St. Laurent (Prime Minister): I shall see just what the order in council is and endeavour to have it available before the debate on external affairs.

Mr. Drew: So there may be no uncertainty, I would explain that the order in council is the one which the Minister of Trade and Commerce said referred to permission to export 15 Harvard trainers to Egypt.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I wonder if the Prime Minister would enlarge upon the assurance he has just given the Leader of the Opposition and table in the house all orders in council which have been made with respect to permission to ship arms and war materials abroad, say within the last year.

Mr. St. Laurent (Quebec East): That would have to be considered in the light of our obligations toward the countries with respect to which such orders were made and their security claims, as against the disclosure of the character of such commodities as might be obtained for military purposes from Canadian sources.

I shall consider the hon. gentleman's request. We would have no objections of our own and in so far as we can comply with the request, without departing from the ordinary amenities between governments, I shall endeavour to see that that is done.

Mr. Fleming: If the Prime Minister should find himself in a position where he does not wish to disclose the specific provisions of the orders approved, would he still be in a position to disclose the dates of the orders in council and the countries concerned?

Mr. St. Laurent (Quebec East): I shall take note of the hon. gentleman's representations and endeavour to remain in a position where it would not be possible for anyone to say we are trying to withhold information that it would be proper to communicate.

Inquiries of the Ministry

RUSSIA—SUGGESTED EXCHANGE OF PARLIAMENTARIANS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Could the minister indicate whether any progress is being made with a view to exchanging parliamentary visitors between Canada and the U.S.S.R., as has been done between several western European countries and Russia?

Hon. L. B. Pearson (Secretary of State for External Affairs): The matter is now before the Speakers of the two houses.

FARMERS' CREDITORS ARRANGEMENTS

REQUEST FOR AMENDMENT TO ACT TO APPLY TO ALL DEBTS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask the Minister of Justice if the government has given consideration to amending the Farmers' Creditors Arrangement Act to make it apply to all debts of farmers whenever incurred and to give effect to it at once, to prevent the repossession of farm implements during the current year. The minister will understand the background of this; that is why I preceded it with no explanation.

Hon. Stuart S. Garson (Minister of Justice): I wish to thank the hon. member for having given me notice of his question. This has to do with government policy which will be announced in due course.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I should like to direct a question to the Minister of Finance. Now that the estimates are down, can the minister give us an indication, even a general indication, as to when he expects to bring down his budget, whether it will be early or late or normal, if there is a norm?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I would be curious to know what my hon. friend means by normal. If he means some time between now and May 1 I would agree with him.

[Mr. St. Laurent (Quebec East).]

GRAIN

WHEAT—REPORTED SALE BY U.S.S.R. TO UNITED KINGDOM

On the orders of the day:

Mr. L. E. Cardiff (Huron): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. Has the minister been informed that the U.S.S.R. has sold between 25,000 and 30,000 tons of wheat to British millers within the last few months and, if so, why was Canada unable to secure this business?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not been informed that the U.S.S.R. has sold wheat to Britain, but I am not surprised. They often sell wheat to Britain. Our share of the British market probably will be higher this year than in previous years. We never believe that we are privileged to sell all the wheat that Britain uses. They may prefer to buy other wheat from time to time.

TRADE

CANADA-UNITED STATES—INQUIRY RESPECTING MEETING OF JOINT ECONOMIC COMMITTEE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In view of the proposed trip to Washington of the Canadian Exporters' Association to have an interview with President Eisenhower on the subject of the $750 million annual trading deficit, is the government planning on asking for an immediate meeting of the joint Canada-United States economic committee to discuss the problems?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the Canadian Exporters' Association is a private enterprise, and what it does is not the concern of the government. With regard to our trade with the United States, we are not unhappy about it. It is at a very high level. I know of no reason to call a meeting of the joint committee on account of anything that is taking place in that direction.

ROYAL CANADIAN MOUNTED POLICE

BRITISH COLUMBIA—DISCIPLINARY ACTION FOLLOWING BEATING OF PRISONER

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of Justice if he would make a statement informing the house of the exact situation with respect to two members of the Royal Canadian Mounted Police who

were recently dismissed in British Columbia for having, according to press reports, beaten a prisoner and obtained a confession from him by that method. Would the minister particularly say what was the full extent of the disciplinary action taken? If the minister is not in a position to do so now, perhaps he would be kind enough to take this as notice and make a statement at an early date.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I shall be glad to take my hon. friend's question as notice.

NATIONAL DEFENCE

RESERVE ARMY—REPORTED REDUCTION IN TRAINING DAYS

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): On January 18 the hon. member for Calgary North (Mr. Harkness) asked if there had been a change in policy with regard to the number of days' training for which members of the militia are paid.

There has been no change in policy in this matter.

The authorization from headquarters provides for all ranks a maximum of 60 days' pay for training. This authorization covers not only training at local headquarters but also training at summer camps, special training and administrative duties connected with training. Allocation of time and of pay among the various categories above-mentioned, up to the prescribed 60 days, is left to the discretion of officers commanding the commands.

I have been informed that the order issued by western command to which the hon. member referred in his question did not, in fact, reduce the number of training days for reserve army personnel in that command but rather broke down the 45 days' normal local training into 30 days' armoury training and 15 days' week-end training. The total number of training days, therefore, remains the same.

HEALTH INSURANCE

REQUEST FOR DETAILED STATEMENT OF FEDERAL OFFER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare? May I ask him if there is a more detailed statement, the general terms of which the Prime Minister gave us yesterday, of the offer made by the federal government to the provinces in connection with a health insurance program? If so, could that more detailed statement be given to the house in some way?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my colleague, the Minister of Finance and leader of the house, tells me that in a few days or so an opportunity will be given when it is proposed to consider certain aspects of the estimates of the Department of National Health and Welfare. I do not think the house would consider that I would be justified on the orders of the day in taking the time required to make as adequate and as complete a report as the situation and the importance of the subject matter warrant. I think my hon. friend will appreciate that this is so.

The conference which concluded last night was a most constructive and helpful one. Without exception, all governments participating in that conference are deserving of credit and, I am sure, the expression of thanks of this house and the people of Canada for the way in which they approached our deliberations on this important matter. The provincial officials have gone home and are now considering the proposal put forward by the federal government in the matter of health insurance.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Drew: Is there going to be an explanation of the resolution before we proceed with the discussion?

Mr. Howe (Port Arthur): Yes, Mr. Chairman.

The purpose of this bill is to provide a partial guarantee of loans made by the chartered banks to producers against grain on farms, and to reinforce the security that would ordinarily be available under the Bank Act.

Grain

In many respects this bill is similar to the Prairie Grain Producers' Interim Financing Act approved by parliament in 1951. There are, however, some significant differences which are necessary because of changed circumstances.

Hon. members will recall that in 1951 much of the prairie grain crop was covered by snow before it could be harvested. Farmers had no carryover on farms from previous crops which could be delivered to maintain their incomes pending the harvesting of the 1951 crop. Some means had to be found to enable the banks to make loans on the security of standing crops, and to encourage them to do so. In any event, very little use was made of the legislation, in spite of the protests from some opposition members that the limit placed on the overall total of loans of $20 million was grossly inadequate.

The present legislation is designed to deal with a different problem, a problem which arises from the superabundant production of grain on the prairies during recent years. I can illustrate the problem by referring again to the situation faced by the prairie farmer in the fall of 1951. A great deal of his crop was under the snow and he did not know whether it could be taken off. In the previous four years he had grown average wheat crops. Here is the record:

1947	320	million bushels
1948	356	" "
1949	341	" "
1950	427	" "
An average of	361	" "

He had no difficulty, of course, in marketing those crops, because they were of average size.

If in the five years prior to 1955 the prairie farmers had experienced average crops, just as they did prior to 1951, there would be no problem whatever at the present time. In fact, the world would now be clamouring for supplies of 1955 Canadian wheat. As hon. members know, however, 1955 was just another in a series of extraordinary harvests. Let me put forward the record of prairie crops from 1951 to 1954 by way of contrast with the earlier period:

1951	529	million bushels
1952	664	" "
1953	584	" "
1954	282	" "
An average of	515	" "

I repeat, if the prairies had, in the past four years, produced the kind of crops produced between 1947 and 1950, which were generally regarded as fair, average crops, there would be no need for the legislation which is now proposed. This legislation is needed simply and solely because of the extraordinary quantities of grain produced and marketed on the prairies since 1951. There is no other reason.

Some hon. members may be tempted to suggest that the problem is due to the failure to sell wheat. Again let us look at the record. Let me compare the two periods 1947 to 1950 and 1951 to 1954. Exports of wheat and flour in the earlier period, when there were no complaints whatever of failure to sell wheat, were as follows:

Crop Year		
1947-48	195	million bushels
1948-49	232	" "
1949-50	225	" "
1950-51	241	" "
An average export during these four crop years of	223	" "

Now look at the past four crop years:

Crop Year		
1951-52	355	million bushels
1952-53	385	" "
1953-54	255	" "
1954-55	252	" "
An average export during these four crop years of	312	" "

I would ask hon. members to note the comparison. In the four years prior to 1951 average exports were 223 million bushels; in the four years prior to the present crop year they were 312 million bushels. And even in the worst export year of the past four years, exports of wheat and flour were higher than in the best year of the preceding period.

These figures speak for themselves. But in case anyone thinks I have selected the statistics just to prove my point, let me go on to say that at no time in the history of grain growing on the prairies has as much wheat and flour been exported as in the four years prior to the present crop year.

What about farmers' marketings? Here the record is even more spectacular. As I have already said, the prairies have produced exceptionally good crops in recent years. The 1952 crop was the largest ever grown on the prairies, and the 1953 crop was the second largest. There has been only one below average crop in six years. The rest were all very large, by any standard. Yet farmers were able to make delivery of all the wheat they raised, prior to the present crop year, with the exception of about 100 million bushels. In the five crop years prior to the present, prairie farmers marketed 2,076 million bushels of wheat plus 1,203 million bushels of other grains. There is no other period of five years which comes within hundreds of millions of bushels of this record.

The reason, of course, that these vast quantities could be accepted and paid for was the high level of export and domestic sales, and the availability of space in elevators throughout Canada at the beginning of the period of big crops. At the opening of the present crop year, however, elevator space was filled to working capacity.

That is why the present legislation is necessary. Prairie producers are only able to market their grain this year as space becomes available in elevators, through export clearances and domestic consumption. This will take place gradually throughout the year, and some farmers are in need of temporary assistance pending delivery of their grain.

It is now evident, however, that sufficient sales will be made by the Canadian wheat board this crop year to enable farmers to deliver the equivalent of a better than average crop. Or to put it more specifically, I believe that sufficient sales will be made to enable prairie producers to deliver as much wheat as they did in the crop year 1954-55 which was, by any standard, a good average year. In that crop year deliveries of wheat by producers were 320 million bushels. This is 73 million bushels more wheat than was delivered in 1947-48, 26 million more than in 1948-49 and the same as in 1949-50.

When I spoke in the debate on the speech from the throne on January 16, I referred to the recent good level of wheat sales. Sales have continued at an even higher level during the past ten days or so. Indeed, so much grain has been sold that some grades in forward positions have now been completely sold out and we are going to have record clearances of grain from Atlantic ports and Churchill. Pacific coast ports will be strained to capacity for the next few months, and there will be an excellent program of shipping out of the St. Lawrence at opening of navigation.

Our big problem now is not selling, but transportation. If deliveries of wheat by producers this crop year do happen to fall behind last year, it will be because rail transportation is not adequate to move grain forward quickly enough and thus clear space in country elevators. I am hoping, however, that this will not happen. I believe the railways are determined to do a good job.

The background of the present legislation, then, is this: First, a series of enormous crops in the past few years, which could not all be moved to market in spite of record export sales, and which resulted in congested elevators at the opening of the present crop year; second, a current level of sales which indicates that producers will be able to market better than the equivalent of a good average crop before the end of the current crop year, but only gradually, as country elevator space becomes available.

When we were considering how best to provide temporary financial assistance to producers pending delivery, we looked at several alternatives and came to the conclusion that bank loans similar to those made available in 1951 was the preferable method.

We looked at the possibility of advances to producers by elevator agents on behalf of the Canadian wheat board. At first glance this seemed to be a logical procedure, but the more we looked at it the less we liked it.

What did this proposal really mean? It meant putting the Canadian wheat board into the lending business, because advances are simply loans on the security of farm-stored grain. We had then to ask ourselves who was best equipped to make such loans, the wheat board or the banks. The answer seemed to be obvious. The banks were already making loans to farmers and the security under the Bank Act could be reinforced by appropriate legislation as had been done in 1951, whereas the wheat board was not a bank and would have to be made into a bank in order to be able to take advantage of special security rights conferred by the Bank Act. Otherwise, in making advances the wheat board would be in no better position than an oil company or an implement dealer in taking security under provincial laws.

Apart altogether from these considerations, the government also recognized that nothing was more likely to interfere with the effectiveness of the wheat board as a marketing organization than to turn it into a collection agency. When I hear opposition members urging wheat board advances, I wonder sometimes whether they are not seeking an indirect means of undermining the board.

Finally, the government was reluctant to put elevator agents into competition in making wheat board advances. The board, as hon. members know, has a very limited number of employees and virtually none outside of head office. Advances would have to be made by elevator agents. They are men of integrity but I do not think they would welcome having producers shopping around among them for advances.

What some proponents of wheat board advances may think is that wheat board advances would be cheaper than loans from the banks. So far as I can determine this would not be so. The wheat board borrows money at 3 per cent. To this would have to be added the expenses of administration and collection which, as nearly as I can judge, would not be less than an additional 2 per cent. These interest and administration

costs would be paid either by the borrower directly when he obtained an advance, or indirectly as a deduction from his participation payment if the interest and administration costs were to be absorbed by the wheat board.

Advances by the wheat board mean that the board would use money realized from the sale of grain delivered by all producers to lend to certain producers. Inevitably there would be costs and losses. Costs which were not paid by the borrower and losses would be deducted from the proceeds of the sale of grain, and would ultimately come out of the pockets of those producers who either had not obtained advances or had repaid them. I do not believe that this should be done and I challenge any member from the wheat-growing areas of the prairies to defend such a proposal.

Mr. Argue: We will debate that matter this morning.

Mr. Howe (Port Arthur): Good; I love to debate with my hon. friend.

Our conclusion, therefore, was that the wheat board was not as well equipped as the banks to make loans, the costs to the borrower would not be less if the board made the loans, such lending would be a misuse of board funds, and the board itself would be permanently damaged if it were turned into a lending and collection agency.

If the wheat board, on the other hand, is not to use producers' money for the making of advances, then I see no argument at all why the board should get involved in the business. The banks have the resources and the lending experience, and they have the legal and constitutional right to take adequate security, which the wheat board does not have.

Some proposals have been made that the board should make interest-free advances. For the board to make interest-free advances and absorb the cost and the losses as a charge against producers' participation certificates would, as I have already said, be a gross misuse of board funds. For the board to advance moneys on behalf of the treasury and bear none of the costs or the losses is a different proposition. This means that the treasury would be asked to make loans without interest to all western producers against farm-stored grain whether or not they needed the advance. No other producer in Canada obtains such interest-free advances. Moreover, I do not think the taxpayer should be asked to make interest-free advances to producers which they could invest immediately, for example, in government bonds and earn a return of 3 per cent or so.

[Mr. Howe (Port Arthur).]

I shall not say much at this stage about the provisions of the bill itself. The limit on loans is $1,500 to an individual borrower, which is $500 more than in 1951. The interest rate is 5 per cent, down ½ per cent from 1951. This rate was negotiated between the banks and the Department of Finance. It is the same as under the Farm Improvement Loans Act.

The bank guarantee is a smaller proportion of total loans than in 1951, partly because of the limited loss experience under the previous legislation and partly because these loans are secured by farm stored grain, rather than standing crops. The guarantee will apply to loans made under the conditions laid down in the bill since November 15, 1955. The over-all limit on guaranteed loans is raised from $20 million to $50 million.

Security must be taken under section 88 of the Bank Act, and the bill provides that such security takes priority over other liens. The borrower is also required to assign one-half of the proceeds of future deliveries of grain to repayment of the loan. In the 1951 legislation the assignment covered the proceeds of all deliveries until full repayment.

In the event that elevator congestion prevails at the opening of next crop year, which is quite likely because of the big crop harvested in 1955, the bill provides that the guarantee can be extended to loans made under the same conditions between October 1, 1956 and June 1, 1957.

As hon. members are aware, the order paper contains notice of another bill by which it is proposed to relieve the wheat board of the cost of carrying excessive stocks of wheat accumulated as a result of nature's bounty during these past years. These two proposals, if accepted, will enable the board to follow an aggressive yet orderly marketing policy without fear that carrying charges will eat up the producers' equity in existing wheat board stocks, and will enable those producers who are short of cash to obtain temporary advances pending normal deliveries within the crop year.

They do not in any way alter the fundamental grain marketing policy of the government, which is to sell as much grain as possible at the best possible prices. That policy has been a remarkable success. It has moved enormous quantities of grain at reasonably good prices. In this period of temporary surpluses it has given a degree of stability to world markets that might otherwise have collapsed, as they did in the 1930's.

There are heavy stocks of wheat in Canada for one and only one reason—good rainfall on the prairies for several years. There has been no increase in acreage. There have been

no subsidies. Sales have been good, more than enough to clear out average crops. They continue to be good.

In the rest of the world stocks are also heavy, but for different reasons. In nearly all other parts of the world wheat production has been stimulated by price supports or by protective measures of one kind or another. We should all recognize, however, that the United States, which increased its acreage so sharply a few years ago, is now taking measures to bring its acreage back to more normal levels.

In these circumstances of heavy stocks throughout the world, the government and the wheat board face a difficult task in marketing Canadian wheat to best advantage. You will expect me to say that we are doing a good job. But I suggest to hon. members on the other side of the house that before they criticize the government's wheat policy, they take a good look at the facts, and consider the effect of their remarks upon the position of the Canadian wheat board as a marketing agency.

The great danger in the present situation is that sellers may be panicked into dumping stocks on to world markets that cannot absorb them. This is what happened in the early 1930's. It is in no one's interest to see this happen again.

In due course, if sensible policies are followed and uneconomic supports and barriers are removed, present excessive stocks will be absorbed. In the meantime it is encumbent upon all of us to have steady nerves and cool heads.

It seems to me that there should not be a prolonged debate on this legislation. The provisions of the bill have been in effect since November 15. We may as well face the fact that wheat board selling is no longer a dominant factor in the movement of this crop; the amount of grain that will be exported depends upon the ability of our railroads and our seaports to deliver that grain to ships.

The board has succeeded in its selling efforts in spite of the advice of opposition members. It has not reduced the price, as almost every Conservative newspaper in the country has demanded it should; it has not bartered its wheat for old bottles or anything of that sort; it has not exchanged its wheat for foreign currencies; it has not given wheat away. It has consistently followed wheat board policy which has been successful for many years and which has been successful recently; that is, to exchange Canadian wheat for Canadian dollars.

Therefore I think it should be no particular part of this debate to belabour the wheat board. The wheat board has done its job. True, it had to wait until opposition members expounded their theories in the fall, since foreign buyers were afraid the board would believe some of the opposition members. Well, we did not; we just waited until normal trading conditions would return. We are now back in the wheat business, and this bill is needed to meet an immediate situation. I hope this bill will receive your favourable consideration.

Mr. Drew: Mr. Chairman, the right hon. Minister of Trade and Commerce has carried forward the unfinished part of the speech he was making a week ago Wednesday night to the Liberal meeting here in Ottawa. Having admonished the members of his own party that they must all follow the party line, we are now being admonished that we must follow the line of the Minister of Trade and Commerce or fearful consequences will result in the markets of the world. With his customary disregard for any basis for what he says, the minister followed his carefully read typewritten statement with closing remarks in the rather freewheeling style for which he is better known when he speaks without a text prepared in his department.

In those closing remarks there was concern and warning as to the danger that was inherent in the members of the opposition discussing this vitally important subject.

Mr. Howe (Port Arthur): You will pay no attention to my warning.

Mr. Rowe: I would not expect that he would.

Mr. Drew: I can assure the right hon. Minister of Trade and Commerce that in so far as those closing remarks are concerned, I certainly shall pay no attention to them. But I would point out that he has completely ignored the people who have been speaking very loudly and vigorously on this subject, that is the farmers themselves. They have been waiting to hear some constructive proposals from this government.

Certainly optimism is a good thing; certainly it is wise for people to have faith in their ability to tackle problems, but it is also wise to have some regard for statistics issued by the very department for which the minister is responsible. When the minister gives us the bland assurance that all is well, that hardly agrees with the statement issued only the day before yesterday by the dominion bureau of statistics. These are the exact words of that statement:

> Marketings from prairie farms during the week ending July 11 were approximately half at 4,770,000 bushels versus 8,656,000 bushels.

That is not a statement by members of the opposition; that is not a statement by those whom the minister seeks to chastise for any attempt to place these facts before the public. That is a statement by a bureau which was set up by the minister's own department to give the public the facts.

When we are told about sales for export and the fact that all is well, that the only concern now is in regard to the ability of the railway companies to deal with this problem, again we have the statement of the bureau of statistics which shows that for the last four weeks there has been a substantial reduction in export clearances. That statement of the dominion bureau of statistics shows that for the past four weeks up to and including the day before yesterday, when the statement was issued, export clearances have been issued for 10,863,000 bushels as against 12,561,000 bushels for the corresponding period last year, a drop of 1,698,000 bushels.

Mr. Rowe: How many weeks?

Mr. Drew: That is for the four-week period. There was actually an improvement in the last of those four weeks, but the total for the four-week period shows a substantial reduction in export clearances, and certainly there is nothing to justify the optimistic statement that only the ability of the railways to handle the wheat can cause any concern about this situation.

Then we had the peculiarly reminiscent statement by the right hon. Minister of Trade and Commerce that they had to wait until the members of the opposition expounded their theories last fall before this subject actually came forward for consideration. We were told also that this was likely to cause alarm, that this was likely to cause panic, that this was likely to disturb possible purchasers of our wheat. It is not within the rules of this house that I should use appropriate terms to describe a statement such as that made by the Minister of Trade and Commerce in this respect.

After all, this subject has been under discussion before. It has been pointed out in this house on a number of occasions that for several years the request has been made that legislation be placed on the statute books so that when the situation required it, cash advances could be made in respect of farm-stored grain. This is not something new. I pointed out in the debate on the speech from the throne only two weeks ago that in December, 1952, I had urged that we have legislation on the statute books to deal with cash payments in respect of farm-stored grain where that became necessary.

This is not something new; this is not something which has emerged during the last few months. It is something, however, which has emerged in an acute form, not because of anything said by the opposition, not because of the bountiful crop alone, as the Minister of Trade and Commerce implies, but because wheat is piled on the farms of western Canada in unprecedented quantities and the farmers do not know where to get money for their immediate needs.

We come to the statement by the Minister of Trade and Commerce that the government looked into the various methods which might be employed, and having decided that this must be dealt with by way of loan, it then decided that it should be done through the banks. The Minister of Trade and Commerce said this is not something that would be appropriate for the wheat board. I would point out that we have emphasized since long before this house sat, and have emphasized on every possible occasion since this became an acute problem, that we believed there were special circumstances to support the proposition that the only effective way in which this situation could be met would be to make cash advances through the wheat board on farm-stored grain in relation to an established quota, as has been done in regard to grain delivered in the past; and that this payment should be made in the ordinary way on the basis of the initial price fixed by the board, as an ordinary cash advance, as though the grain to that amount had already become the property of the board.

That would avoid any question about loans by the banks, the involved procedure which has been set up and the difficulties encountered by many farmers in actually even making arrangements to attend at the bank for this purpose.

The question is not one as between loans by the banks and loans by the wheat board. The question is between cash advances on farm-stored grain and a method of loan which does not satisfactorily meet the situation. That is the real issue. That has been the clear issue at all times; it is the issue now, and it is the issue which I would hope the government would still consider in its proper light.

The Minister of Trade and Commerce has made a peculiarly interesting observation which I hope will not be overlooked in its implications. In explaining why he did not think the wheat board should be put in the position of being responsible for dealing with this problem, he said, and I believe I quote his words with accuracy, "I do not think that it"—that is, the wheat board—"would welcome producers shopping around amongst them for advances."

Mr. Howe (Port Arthur): My hon. friend is mistaken. That statement did not refer to the wheat board. It referred to the grain elevator operators.

Mr. Drew: If that is the case the Minister of Trade and Commerce is simply saying that if the wheat board, through its agencies, were to make arrangements of this kind, the agencies, which the minister has now defined as the wheat elevator operators, would not welcome producers shopping around among them for advances. What does he mean by that? Either there would be a clear basis for advances or there would not. Is the minister implying that this would involve some improper procedure?

Mr. Howe (Port Arthur): You just do not understand the country elevator business.

Mr. Drew: One thing that is perfectly certain is that the Minister of Trade and Commerce does not understand the problem he is dealing with, to judge from what he has said here this morning. He has directed all his remarks with a paternal sense of pain for the ignorance of the members of the opposition, without any regard to the fact that what has been asked and what we are asking is what the farmers of western Canada have been asking vigorously and in no uncertain terms for some considerable time.

When the Minister of Trade and Commerce warns us of the dire consequences that might come from the discussion of this subject in this house, does he suggest for one moment that the people he thinks might become alarmed do not read our newspapers and do not read the statements made by our farmers? Or when he singles out what he describes as the Conservative press, I wonder if he now includes in that expression the Winnipeg *Free Press,* which has given no uncertain expression to its demands that some alternative method be employed. Certainly the Winnipeg *Free Press* is not hesitant in criticizing the government's handling of its wheat policy. Certainly the Winnipeg *Free Press* has not been reluctant to point out that there is a crisis. I would point out also that there are other newspapers in western Canada which have been equally vocal and equally vigorous and which, with the optimistic approach to the general subject which the Minister of Trade and Commerce has injected into his remarks, I would not previously have described as Conservative newspapers.

No; this subject is one that has been placed before the people of this country and before any possible purchasers of our wheat by the farmers themselves, by their representative organizations and by the general discussions which have taken place. As a matter of fact the Minister of Justice (Mr. Garson) is quite aware that he did not have to wait until he came into the House of Commons to learn that there are certain strong views expressed on this subject. I feel sure that is true also of other hon. members. The Minister of Justice has indicated that he welcomed the frank discussion of this subject and the way it came forward. We all have occasions when discussions of a similarly frank nature take place, but most certainly the Minister of Justice is under no illusion that this is the only place where this subject has been brought forward for consideration, and where the Minister of Trade and Commerce and the operations of the government in this matter have been subjected to some substantial measure of criticism.

The figures from the dominion bureau of statistics, to which I have just referred, show that during the past four weeks farm sales are down and export clearances are down. As I quite clearly stated, one out of those four weeks, the last one, did show an improvement; nevertheless the total for the four weeks is down. There is certainly nothing in those statistics issued by the bureau, which is in the department of the Minister of Trade and Commerce, that justifies in any way the broad and optimistic statements he has made.

There are other reasons why this problem should be discussed and should be tackled. This loan system is not one which the Minister of Trade and Commerce expects to be employed to any considerable extent. Once again, having regard to the context of his remarks, may I point out that he implies that the government was considering some arrangements to meet the situation which responsible newspapers in western Canada described as a crisis, and which farm organizations have definitely asked everyone in Canada to recognize as a crisis.

If that is so, then let us consider the attitude of the responsible minister, as stated in his own words. In Calgary on November 28, in referring to this loan plan, the Minister of Trade and Commerce used these words:

> It is my hope and belief that comparatively little use will be made of the lending facilities, that most farmers are either in a position to carry on without borrowing or are in a position to finance in the ordinary way.

Those words are clear. The Minister of Trade and Commerce simply does not regard this as legislation designed to meet any real emergency. He is looking on it as something that will not be used extensively. The farmers of western Canada have made it clear through statements they have made within their organizations and individually that they

do regard it as a crisis and that they do regard some solution of the problem as urgent and immediate. For that reason the proposal before us is not adequate.

I wish to make it clear at this point, Mr. Chairman, that we will not vote against the resolution. Inadequate though it may be, unsatisfactory though it may be, with interest rates on the basis they are to be charged under this plan, we are not going to seek to deny whatever relief may be afforded by this method. We believe it is appropriate, however, to point out that this does not meet the situation. We do point out the situation to the government once again, and we urge them to reconsider their position. We believe that whether or not this legislation is passed the government should reconsider the justification for making cash advances on farm-stored grain.

The Minister of Trade and Commerce made the statement that no other producers in Canada would receive similar consideration. One thing, Mr. Chairman, perhaps not recognized fully by many people in other parts of Canada who live outside the prairie provinces is that no other producers in Canada are in exactly the same position. We are fully aware of the fact that other agricultural producers have problems that they think are just as critical, in some cases more critical. I would point out that the potato grower on his farm in northern New Brunswick or Prince Edward Island faces an even more urgent problem. He has a crop that cannot be kept. It is a perishable crop. The same is true of the fruit growers in the Annapolis valley and elsewhere. They have perishable crops that cannot be stored. The problem they face on their own farms is even more critical because, with all the difficulties facing the wheat growers, the growers of potatoes, apples and other products of that kind cannot keep those products against the day when there may be some return.

Nevertheless there is a difference in this problem and one that I think the potato grower, the apple grower and other agricultural producers in other parts of Canada will recognize. By law the wheat producers of western Canada are unable to sell to anyone but the government agency. That is the key to the whole nature of this special problem. We also must recognize the scale of the problem from the point of view of Canada as a whole. Nearly one billion bushels of wheat are involved in the consideration of this problem. That involves an enormous amount of money for all Canadians, and it is not only a problem of the individual wheat producer, critical though his problem may be. This is a problem affecting the whole of Canada.

We are also confronted with the fact that the wheat producers, who under legal restrictions are not permitted to sell to any but the government agency, have on their farms at this time nearly 500 million bushels of wheat. An enormous percentage of the world's available wheat supply is lying on the farms of western Canada at this time, or is contained in some sort of temporary shelter. That is the problem. One of the things which should be borne in mind, without in any way debating all the questions that may arise as to details of operation and otherwise, is the fact that the government says by law "this is our grain", which makes them in effect the owners of that grain the moment it is harvested.

Mr. Rowe: They cannot sell it to anybody else.

Mr. Drew: I emphasize that point. In effect the moment the wheat is harvested the government becomes the owner of the grain. There is no other purchaser. The wheat farmer has been permitted to assume, and with reason, that the wheat would be taken up appropriately year by year so that from this grain, which must be delivered to the government agency, he would get an adequate return on the basis of a quota per acre at the initial price fixed by the board, and that this amount would then be handed to him as a cash advance on his quota book.

Our argument, and we have put it forward for some considerable time, not just in the last few months, is that the government alone can take the wheat and the government is already in fact the ultimate owner and by law can be the only owner in the end when it is sold. Therefore where the wheat cannot be taken into the elevators and the farmers need this money for their immediate requirements, then on that wheat, which in effect belongs to the government, the farmers should be able to go in the usual way and get a cash advance on a proper quota basis at the regular initial price, such advance to be marked on their quota book, with the understanding and the undertaking that that amount of grain will be delivered to the elevator on demand the moment they receive notice that the space is available.

Surely there is nothing complicated about that. The ordinary machinery now existing would carry this out without any problem of any kind. There would be none of this ominous shopping around that the Minister of Trade and Commerce implies. Perhaps his mind is accustomed to shopping around for a consideration. The fact remains, however,

that this system is one which involves no shopping around. This system is one which would be on a clear and understandable basis, with the cash payment entered in the quota book in the ordinary way and paid to the farmer.

That, Mr. Chairman, is what we ask. We certainly will support the resolution, inadequate though it may be to meet the problems facing the farmers; and though we are told that it will contain provisions which in themselves we think are onerous and unfair certainly it is better than nothing. We do urge, however, that with the adoption of legislation of this kind the government does not make the mistake of thinking it has dealt with the problem. I hope it will look at the statements that are appearing in the press of western Canada and those coming from farm organizations before the childish threat is issued to this house that we are in some danger of creating a panic if we even dare to discuss problems for which we are responsible. May I say to the Minister of Trade and Commerce—

Mr. Howe (Port Arthur): Just talk to the chairman.

Mr. Drew: —that even if his Liberal supporters are prepared to applaud that kind of dictatorial statement, he is not going to find any acceptance of warnings of that kind here in the House of Commons. This is still a free House of Commons, and we are going to carry out our obligations in the house. Certainly there is no greater obligation than to point out to the government that along with any arrangement of this kind there should go further consideration of a simple and practical method by which the farmers can receive some cash immediately without any involved procedure in return for wheat which in effect already belongs to the government and to no one else. Since it does belong to the government and since the farmer himself certainly can exercise no control over the availability of freight cars and elevator space, there should be no interest on payments made in respect of advances on the wheat which the government has already in effect taken under its control.

That is a proposition which emerges naturally and logically from the position the government has taken. I hope all our friends in every part of the house who have had reason to give this subject consideration will let us have the advantage of their opinions, because we are not merely dealing with the motion concerning this resolution now before us. In this discussion we have an opportunity once again to urge the government to give consideration to the only practical proposition that has been put forward to give the farmer some relief in the critical situation in which he now finds himself. We know perfectly well that there have been bountiful crops. Of course there have been such crops. By that statement the Minister of Trade and Commerce would seem to imply that our only hope is to have a disastrous crop failure. That is what in effect is implicit in that statement. The only suggestion they have to offer is a disaster of another kind.

Mr. Studer: Balderdash.

Mr. Drew: I am glad to know there is at least one Liberal member who is willing to have his voice heard. All I hope is that, instead of the kind of comment that has just been made, some Liberal members opposite will show that they are prepared to discuss this subject during the debate in spite of the admonition which has been given to them by the Minister of Trade and Commerce.

Mr. Rowe: They will not say anything.

Mr. Drew: There is always reason for hope. We might hope that some of the things which are now being said privately will be said publicly by hon. members opposite with regard to this subject.

Mr. Rowe: They will not even deny what you are saying.

Mr. Drew: Mr. Chairman, it is true that there have been wonderful crops. Surely, however, this government is not going to just leave the impression that all it intends to do is wait for bad crops to solve this problem. If this situation were as simple, as easy and as good as the Minister of Trade and Commerce has implied by his recent remarks, may I ask this question: Why was he complaining about the action of the United States government? If there is no reason for concern about what has been done, why did he make a public statement about the action of the United States government with regard to sales which he thought might conceivably disturb these operations?

The fact is that he was concerned about it, in spite of the fact that the Minister of Agriculture apparently thought surpluses were a good thing. He was disturbed about it and he said so. I only wish that in this discussion this morning something of that concern had found its way into his remarks, so there might have been some real relationship between what he said and the situation as it actually exists.

Whatever the situation is, Mr. Chairman, there is one other consideration that has not been met by the government. The Minister of Trade and Commerce made the statement that we would find in the speech from the

throne the whole wheat policy of the government. This morning we had been left with the clear impression that the government has no other thought with regard to this matter except what is found in this resolution.

Let us remember what the minister said. He told us that there have been good crops; that this is the only reason there has been any serious problem; and that there have been, of course, some difficulties with regard to the availability of cars. We know that within recent weeks ships have been lying at anchor in the harbour at Vancouver, unable to pick up the grain which they were ready to move. It is explained that this situation might be the result of the failure to get wheat there because of the shortage of box cars. There is also the statement—and it has not been satisfactorily challenged in any way—that there is over 100 million bushels of storage space not being used in the elevators of this country at the present time.

The farmers of Canada are not responsible for that situation. The farmers of Canada have in their hands no power to deal with the problem of the availability of freight cars and other means of transportation. That matter is in the hands of the government alone. The farmers of western Canada, who are in a unique position because of what I have already pointed out, should be told at this time what the plan of the government is for the current year. In addition to anything that is said in relation to this resolution, surely this is the time for the farmers of western Canada, who are in that special position, to be told what the policies of the government are in relation to the crop for the coming year; that is, for this present year. If they do not know, how can they possibly make their plans for the seeding which will take place in the not too distant future? The farmers have a right to know what is going to happen next fall. They have a right to know what this government intends to do if we have another bumper crop, as might reasonably be expected with the amount of precipitation there has been during this winter. No matter how inadequate this legislation may be, and even though they have not yet agreed to provide for cash advances on farm-stored grain, certainly the government should come forward with a clear statement of policy so the farmers may be able to make their plans for this year with some knowledge of what they may reasonably expect. Otherwise the only hope that is offered to them is disaster of another kind. No solution of the problem is offered to them by this government except the possibility that there will be a disastrous crop failure. Surely they are entitled to more than that.

I therefore close these remarks, Mr. Chairman, with the statement that in supporting this resolution we do so simply because we would not wish to urge that any relief, however limited or unsatisfactory it may be, should be denied to any farmer who wishes to avail himself of it. At the same time, however, we urge that the government reconsider its position and decide to make cash advances on farm-stored grain by the method and for the reasons I have outlined. We also urge that before these discussions are closed, the government make an announcement to this house and, through this house and the press gallery in the house as well as through *Hansard,* to the country, inform the farmers in the three prairie provinces what they may expect next fall in relation to the crop that will be grown this year.

Mr. Argue: The resolution the Minister of Trade and Commerce has presented to parliament at this time to meet the severe shortage of cash on the prairies is probably the most unpopular move this government has made in the realm of agricultural policy since October, 1947, when the ceilings were taken off oats and barley and then were placed back on the grain exchange.

This morning we have been read a lecture by the Minister of Trade and Commerce. He has suggested to us that we should curtail the debate, that we should not speak in this debate, that we should not discuss the serious position of the western farmers. The Minister of Trade and Commerce is again up to his old tricks. He is trying to muzzle parliament and prevent free discussion. This government is a past master at muzzling parliament. Yesterday we had a fine example of the way in which this government treats parliament and the members of the House of Commons. Yesterday I had before the house a bill proposing a reduction in interest rates on small loans.

Some hon. Members: Order.

The Deputy Chairman: I think the hon. member will agree that neither a reflection on a vote of the house nor the discussion of an alternative measure is in order under this resolution, on which we are allowing wide discussion of the farmers' problems.

Mr. Argue: I am not commenting on a vote of the house at all. I am commenting on the attitude of this government. When a member of the opposition has a proposal before this house, not necessarily yesterday but any time in the past, that might embarrass the government, what does the government do? It has somebody stand up and move the adjournment of the debate, using its parliamentary majority to cut off debate and kill

the discussion. Then when the adjournment cannot be moved because it is a piece of government legislation that is highly unpopular, as this legislation before us now is, of course the minister uses veiled threats to attempt to accomplish the same result.

The minister and the Liberal party stand alone in saying to the people of western Canada that the legislation now before this house will solve the problem. The Minister of Trade and Commerce is smarting under the treatment he received within the last few months in western Canada. He went to speak to one farm convention after another to try to ram down the throats of the farmers this same kind of garbage he is attempting to ram down our throats this morning. At these conventions the farmers repudiated the minister and said, "We are not supporting bank loans; we are, in fact, opposing bank loans." Then this morning the minister makes the utterly ridiculous statement that anyone who is against this legislation; anyone who says that bank loans are not good; anyone who says that the wheat board should be instrumental in making advances to the farmer, is against the wheat board.

That is a fine statement to make regarding the Saskatchewan wheat pool delegates, who on November 1 last at the opening of their annual meeting passed an emergency motion asking for cash advances through elevator companies on farm-stored grain. No organization has promoted the wheat board method of marketing more than the Saskatchewan wheat pool. I am sure the delegates at that meeting proposed something they thought would help the wheat board and would not, in fact, hinder it in any way.

When the minister threatens parliament and tries to choke off discussion, he does not stop with threatening the opposition, as the Leader of the Opposition said, he manhandles the Liberal party back benchers and says, "Fellows, toe the line". He says there are people in this country opposed to the wheat board. Yes, there are. Every time you hear anybody say there is widespread opposition in Canada to the wheat board, you can bet your bottom dollar it is a member of the Liberal party who is sowing the seeds of opposition to the wheat board.

That is not all that is wrong with this legislation. The minister has contempt for the opposition, he has contempt for his own party, and he has contempt for parliament. I was surprised that the Leader of the Opposition should overlook the very important point that this legislation in fact came into effect on November 15. Now, months later, parliament is being asked to rubber stamp something the government put into effect months ago. You know how it was put into effect? The Minister of Trade and Commerce is quite agile at a lot of things. He was in Regina addressing the wheat pool convention on November 5, I believe. It was there he made the big announcement of this bank loan legislation. Parliament was not in session; parliament in the minister's opinion did not have to be called into session. All the Minister of Trade and Commerce had to do was to stage a radio-T.V. show and announce the policy. He did not need parliament. The announcement was made in that way, and months later parliament is called and we are asked to rubber stamp this legislation the government is proposing.

As I have said, not since 1947 has this government done anything in connection with prairie farm matters that was so thoroughly and so unanimously unpopular as is this measure. The prairie producers resent having this bitter pill of bank loans rammed down their throats. It is no alternative to a system of cash advances. It is not working, and was not supposed to work. The minister said it is not going to be used very much, and it is not. Not many farmers can get a loan. This method was not used much in 1951.

The Leader of the Opposition said the position of his party has been clear since 1952. The position of the C.C.F. was clear for many years prior to that. In 1942-43 the members of this group were advocating cash advances. On December 3, 1951, we presented a motion requesting cash advances. The situation then was not nearly as critical as it is now. At that time the government put through parliament somewhat similar legislation guaranteeing bank loans up to $20 million. As the minister well knows, just a little over $600,000 of the $20 million was actually used.

I have in my hands figures showing the bank loans that have been obtained in the first two weeks of the operation of this act. Some hon. members may think that if the act is going to remain in effect for some months, it would be used very little in the first two weeks. The fact of the matter is that many farmers who felt they were in such a desperate financial position that they were forced, because of circumstances, to go to the bank to ask for a loan would do so in the early part of the operation of the act. I have the figures for the first two weeks of the operation of this act. In that time there was loaned to less than 3,000 farmers, out of 200,000 producers on the prairies, just over $2·5 million. That is an indication not only that the legislation is faulty, not only that the banks are exceedingly careful in

making these loans and are endeavouring to make as few loans as possible, but that the producers themselves are not anxious to have this kind of loan.

The producer believes that he is forced to go to the bank to ask for loan on his summer's work, a loan on his wheat, a loan on something which is his cash asset, and worse still is forced to pay interest on it. He is, in fact, paying interest on his own income. How many times have I heard farmers say, "We would like to get the Minister of Trade and Commerce in this position, where at the end of each month instead of getting his regular cheque he would be told that legislation was being provided whereby he could go to the bank and borrow his month's wages, go into debt and pay interest on his own money." That is the basic reason that wheat producers are opposed to this legislation.

It will not work for a great many reasons. It will not work because it is probably correct to say that a very large percentage of western farmers do not go to banks, do not do ordinary banking business. As a matter of fact there are more credit unions in Saskatchewan than there are branches of chartered banks in that province. Most of these credit unions are doing business in the rural areas, so that a great proportion of the prairie farmers never darken a bank door. In many instances they do not know the bank managers, and they may have to travel 40 or 50 miles to find a branch of a chartered bank. They go into a bank to see the manager, and the farmer is a total stranger. The banker cannot tell if he is a farmer; cannot tell if he has a quarter section or six quarter sections. The bank manager cannot tell whether he has 1,000 bushels of wheat, 10,000 bushels or none. The bank manager is placed in an untenable position. The bank manager is just as much opposed to this legislation as the producer who is forced to go to the bank and ask for a loan.

The principle of forcing farmers to pay interest on their own money would have been just as bad if the government had included the credit unions in this proposal. I do not know why the government would not allow the credit unions to have the same privileges and the same guarantee as the banks. The farmers who do business with the credit unions would certainly be a lot happier to go to the credit union manager, who knows their circumstances, to ask for a loan under this legislation. The government, of course, are friendly with the banks. They know the heads of the banks. The government and the banks are very close. However, the government will not tolerate guarantees for the credit unions to allow them to compete with the banks for banking business on equal terms.

Mr. Cannon: Will the hon. member permit a question?

Mr. Argue: Surely.

Mr. Cannon: Does the hon. member know that in the case of fishermen the banks and credit unions are on the same footing as far as loans are concerned?

Mr. Argue: Yes, that is the toe in the door. It has taken a long time to correct that situation, and I am glad the government made the change, though it still has a long way to go. It took private members to suggest it; it was not a government idea. I am suggesting now that the credit unions be given precisely the same guarantee as was given to the banks, and I am willing at this time to stake my reputation on the statement that on loans the credit unions make to purchasers they will come to the government for a smaller guarantee and a smaller recompense than in the case of the banks, because the records of credit unions show that they have sustained very few, almost negligible losses in the business they do.

This legislation is wholly inadequate because of the total amount of money farmers can obtain under it. It is bad enough for the farmers to have no money and to have a lot of wheat in their yards they cannot sell. It is bad enough that the farmers owe money all around town; but it is even more serious for the local merchants, the storekeepers, garage men, implement dealers and oil dealers who have not just one set of accounts but have the accounts of perhaps 50 or 100 farmers to worry about. It is the local merchants in the prairie provinces who are carrying the load. They have carried it in the past and they are carrying it today. That is why the resolutions which came to the government were so unanimously in favour of cash advances; the storekeepers and merchants wanted some measure which would enable the farmers to pay their accounts.

The minister informed us yesterday that he has thousands of pieces of paper in his possession respecting a return I asked for in relation to the production of papers in regard to cash advances. I am positive that fewer than 1 per cent, if indeed any, of the resolutions or letters from wheat producers in the minister's possession state that they are in favour of the policy that is now being presented to parliament. The producers are almost unanimously opposed to this method of handling the situation at this time.

The government is proposing this kind of legislation as a means of dealing with the problem. It is proposing other legislation which asks parliament to approve the payment of storage on excess carryover. The Minister of Trade and Commerce said that the people of Canada, the taxpayers, would resent having to provide the money necessary to pay interest-free cash advances. I do not believe that statement. I do not think it is true because I believe, although I could be wrong, that the four parties in this house will give unanimous approval to the government's proposition that parliament and the national treasury should meet the cost of storage and carrying charges on wheat.

I am just as convinced that had the government had the foresight, courage and imagination to bring in a proposal for cash advances, there would be the same unanimous support in this house as is now likely to be given to the storage provision.

I suggest that the government should do one more thing and should do it now. The government should not make an interim payment on the 1954 wheat crop and then a final payment some months later. I do not think that is the best method of handling the situation at this time, when a severe shortage of cash exists. I believe that the government through the governor in council should now close out the wheat board account for 1954-55. The inventory should be valued at present sale prices, and the farmers at this time should ge given the largest payment that can be made out of the funds that happen to be in that account after it is closed out. They should not receive a small payment now and a small payment some months later, with all the extra cost that is involved in the wheat board making a separate payment.

I would hope that under the legislation now before the house the payment could be more than the 15 cents a bushel which was paid last year in the form of an interim and final payment. I would hope that legislation before the house would make it possible for the government to make a payment of 20 cents or even 25 cents a bushel. Certainly the account should be closed out and the farmers should be paid that money as soon as possible.

The Minister of Trade and Commerce has said that the only danger which threatened wheat markets in the last few months has been speeches by members of parliament. I presume he means speeches by hon. members who have been talking about cash advances. I also presume he means that the wheat pool officials are damaging the grain business when they go about and ask for cash advances. The minister rose and said the other day the United States is to blame. It is the United States policy which is to blame, he says. He says that bartering and accepting legal currency and gifts will not be sufficient to increase our sales, but the United States is following that policy and is increasing its sales and distribution to a large extent.

I was pleased at the announcement that a trade delegation from the U.S.S.R. is coming to Ottawa. It would be my hope that the minister himself would handle the deliberations of that conference, and that the government would face the export situation with an open mind. I hope the government will be prepared to undertake any financial steps that may be necessary to enable the export of Canadian wheat, and to enable sales to be made.

The minister does not like the word barter. I would suggest that the minister make contract sales, if he does not want to use the term barter and in attempting to sell wheat, be prepared to sell it to nations behind the iron curtain or to any other nation. The government should be prepared to make those sales where necessary on a contract basis over a number of years; and where credit extension may be necessary, the government should not stop at one year but extend credits over two, three or four years if necessary and if such credits will result in an expansion of our wheat trade.

Some announcements concerning export sales that have been made in the past month have given some encouragement to the farmers. These announcements relate almost entirely to sales of Canadian wheat to countries behind the iron curtain. It is not an accident that these sales are to communist countries. The reason that sales of wheat to countries behind the iron curtain are the main hope for increased sales of Canadian wheat at this time is the fact that public law No. 480, under which the United States congress is supporting and promoting the disposal of United States wheat, confines the disposal of such wheat to countries other than those behind the iron curtain.

I think that Canada should be in the position of promoting sales to any country in the world and by whatever method might be necessary, including the methods that are being used in the United States. We should not have lagged behind the United States and have reached the position where today apparently our only substantial hope for increased sales appears to be countries behind the iron curtain.

We have this legislation before the house, and it is most unpopular. As I have said, no

one is in favour of it except the Minister of Trade and Commerce and his supporters. They are endeavouring to drag in the farm organizations and show that they are in support of this policy. The provincial leader of the Liberal party in Saskatchewan made a similar statement early in November, and an official reply had to be issued by the Saskatchewan wheat pool denying that they were in favour of bank loans. In part that statement had this to say:

> The policy of the Saskatchewan wheat pool, as approved by its delegates in annual meeting, is clear-cut. It does not favour the government's proposal for bank loans. It firmly believes that the conditions are such that extraordinary measures are called for, and that these should include advances against farm-stored grain, and that such advances should be made to individual farmers through elevator companies in accordance with an agreement between the companies and the wheat board.

The minister attempts to show that when we support having the wheat board make these arrangements, we want the wheat board itself to go out and make the loans. Nothing could be further from the truth. All we are asking is that the wheat board make the arrangements whereby the grain elevator companies can make the advances. The elevator company agents are in a much better position to make advances than are the banks. I have said that we have more credit unions in Saskatchewan than branches of the chartered banks, and I would say that there are 12 elevator agents in Saskatchewan for every branch of a chartered bank.

The elevator agent is personally acquainted with the farmer. He knows the farmer's business, because he is a close friend of the farmer who brings grain to his elevator. Most likely he knows the amount of grain the farmer has on his farm. He is in position to make the advance. Why does the minister say the government will not do it through the elevator companies? His claim and he is wrong again is that the elevator company or the wheat board cannot be given the power to place a lien against the grain of the type which a chartered bank could obtain under the Bank Act.

The minister made another amazing statement the other day. He said it would be very risky for loans to be made by the elevator companies to farmers. Why? Because he said the farmer might feed the grain, the farmer might sell it to his neighbour or the farmer might not repay the loan. The Minister of Trade and Commerce was saying in effect that he could not support advances to farmers through the wheat board and the elevator system because the farmers are dishonest, because they are likely to feed their own grain or because they are likely to sell it to their neighbours. I think that was a shameful statement, and it is a statement which the Minister of Trade and Commerce and the Liberal party will not be allowed to forget.

I do not think the farmers of western Canada as a group are any more dishonest than any other group in Canada. I believe the western wheat producers are honest. The experience of the government under the Farm Improvement Loans Act, whereby the government has had to pay just 1/35 of 1 per cent of the money advanced under the act, shows that an overwhelming majority of prairie producers are wholly and completely honest. I believe that cash advances are practical and would be repaid almost without exception, and would give the government a cheaper method of making money available to the producers than the method now used.

If the farmers were given cash advances and the interest paid by the government it would cost the treasury 4 per cent on an advance of 90 cents per bushel, which is the most that has been asked and which is the amount the CCF is asking for. That would cost the federal treasury less than 4 cents per year to finance a bushel of wheat in the farmer's possession. The minister says we should not ask the taxpayer to do that, but according to the other resolution on the order paper—I want to say I am pleased it is there, and I am going to support it—the government and the taxpayer will assume carrying charges and storage charges on grain held by the wheat board in excess of 178 million bushels. What does that mean? It means 4 per cent on the whole initial price.

Mr. Howe (Port Arthur): What bill is the hon. member discussing now?

Mr. Argue: The storage payment resolution. I am pointing out to the minister that what he is doing in this instance—and I am glad he is doing it—is more expensive and costly for the taxpayers per bushel of grain than the proposal we have been advocating for many years. It is more expensive for this reason. Not only will the national treasury be paying 4 per cent of the average initial price for the wheat; the national treasury will also be paying storage charges at the rate of 10½ cents per bushel per year. The policy which the government is now following will cost the taxpayers of this country almost four times as much per bushel of grain as the policy which we in this group have been advocating for many years.

I suggest to the government that even at this late date it should withdraw this legislation and provide for cash advances, which would give the farmer in Canada at least part of that which is given to the producer in the United States. The farmer in the country immediately to the south is able to get $2.08 per bushel on 95 per cent of all the wheat he has harvested, with the advance being interest-free on delivery of the grain. If the United States government can provide a cash advance of $2.08 per bushel, surely this government should do more for the Canadian wheat producer than is being provided by this legislation, which attempts to shackle him with further interest charges.

Mr. Quelch: Mr. Chairman, I think the question of bank loans against grain stored on the farm must be viewed in the light of present conditions, as well as in the light of the situation that existed at the time this policy was first put into effect by the government.

The minister stresses the fact that sales of wheat are picking up, that there is really no great marketing problem today, that the problem is rather a question of transportation and the lack of box cars. It is interesting to note that, because last year the farmers were told that it was not a problem of transportation but rather a lack of orders, that the elevators could not get orders. Now the farmers are told that there are plenty of orders but they cannot get box cars. Many farmers are beginning to wonder whether or not the railways are putting on a sit-down strike as a protest against the Crowsnest pass rates.

Be that as it may, the important point to note is that we are now approaching the end of the sixth month of the present crop year. It is ten months since the first costs were incurred in the production of this wheat, and it is over three months since harvesting operations were completed. In spite of that fact, there are many points in western Canada where farmers today are not able to deliver one single bushel of wheat against even a one-bushel quota. That is the situation that exists today, and that is why it is still very critical in so far as many points in western Canada are concerned.

In addition to that situation, there are amounts of wheat from previous crop years that are still being stored. Costs were incurred in the production of that wheat, and farmers are most desirous of being able to liquidate some of those costs. Those costs can be liquidated only by the sale of the wheat. Apparently the minister keeps forgetting that the production of wheat is not a costless thing. He seems to think that if the farmer has some wheat on his farm he can sell it and invest the proceeds in government bonds. Unfortunately that is not the case at all. In a majority of cases the larger percentage of the wheat on the farm is already pledged, and the minister should keep that fact in mind.

The answer given by the government last fall that there would be bank loans against wheat stored on the farm caused a wave of protest meetings throughout western Canada. I know that the minister has stated that those meetings were largely at the instigation either of the grain exchange or of certain interests in the large cities.

That may be true in certain parts of western Canada. I am not in a position to say whether it is or not. I can say that there is not one word of truth in that charge as far as my constituency is concerned. The protest meetings originated among the farmers themselves. You might say it was a spontaneous action on the part of the farmers, and generally a member of a local farmers' union would take the responsibility for first trying to arrange a meeting.

I was not in my constituency at the time the question came up, but I very soon received a long distance telephone call asking me to come down and attend some of the meetings. I would like to say that those meetings were not political in any shape or form. I did not go on the platform, but merely sat with the rest of the farmers. As a matter of fact there was no platform speaker. The meeting was called to order and the chairman was appointed, and then there was a free for all discussion. The discussion first of all took place on the government's proposal, because at that time it was merely a proposal, to make bank loans available to farmers against wheat in storage. I can say that there was very bitter protest against that suggestion.

I remember the first meeting. A resolution was moved that the farmers were unalterably opposed to such a suggestion. A good deal of discussion took place on that motion, but finally some farmers pointed out that whilst the majority were very much opposed to that proposal, nevertheless there were some farmers in such dire straits that they would have to take advantage of some form of loan. If they could not get what they wanted through advances they had better have the loans as suggested by the government, but they were prepared to take them against their better judgment.

The reason they opposed loans was largely that there are very large stocks of wheat on the farms and a very large percentage of those stocks are already pledged. That is something the minister does not appear to be able to get into his head. He has an idea that so long as the farmers can sell a small

amount of their wheat, what might be regarded as a normal amount in a low crop year, then any wheat that is left on the farms may be regarded as velvet, and they can use that for the purpose of purchasing bonds or for any other purpose. But unfortunately that is not the situation. As I say, a very large percentage of wheat is already pledged. Take the Morrin district, probably one of the best wheat districts to be found in western Canada. It is on the gumbo plains. I was told at that meeting that in that district 60 per cent of the wheat on the farm is already pledged.

Mr. Howe (Port Arthur): May I ask the hon. member a question? If the wheat is already pledged, is he suggesting that the government should make an advance on it just the same?

Mr. Quelch: No, not on the 60 per cent of the wheat that is pledged. The government could certainly make an advance on the remaining 40 per cent at least, or it could make an advance on 50 per cent with the stipulation that a certain amount be used to pay off the obligations that have already been incurred. The reason such a large percentage of that wheat has already been pledged is that heavy costs were incurred in the production of the wheat. Farmers were obliged to get bank loans to meet those costs, and they were obliged to charge bills with machine companies, stores and oil companies, and those bills exist at the present time. Therefore they are not interested in a proposal that would put them further into debt. What they want is a chance to sell some of their wheat today in order to pay off those debts. They are not interested in going further into debt, especially at an interest rate of 5 per cent.

These meetings gave very careful consideration to the proposal of the western wheat conference and the resolution that was submitted to the government by the wheat conference and by the western provinces. It was a proposal that the government should advance to the farmers up to 50 per cent of the normal wheat delivery. There was strong support for the principle of that proposal.

The only thing the meeting did not like was the rather vague definition of "normal delivery expected". They said that might mean 8, 6, or perhaps only 4 bushels. So they suggested that, instead of using that form, they should say "up to 50 per cent of at least 8 bushels per cultivated acre." That is the basis upon which delivery was made last year and judging from what the minister said we have reason to hope that there will be a similar delivery this year.

The fact that we may have a similar delivery this year does not help the situation today. Today the farmers are in the very difficult position of having debts piled up. Every time they go to town they have to meet their creditors. Though they have wheat on the farms by means of which they should be able to liquidate those debts, they are not able to sell it. They also stress the fact that the government is largely in control of the wheat market. It took only 8 bushels in 1954-55, but there is no chance for farmers to deliver even a one-bushel quota at many points today. Therefore they feel the government should be prepared to make advances up to 50 per cent of at least 8 bushels per acre.

The minister argued that the only safe way to make loans would be through the banks, and that there would be little security by any other means. I am not going to debate that point, because the farmers are not asking for loans. They are asking for advances. The minister keeps making the alternative between bank loans and loans through the wheat board, but that is not what the farmers are asking for. They are asking that advances be made, and they would be quite prepared to give title to the wheat on their farms in return for these advances. Therefore the question of security does not arise. That is actually what is done in the United States under the sealed storage program.

Before I begin on another phase, 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. Quelch: Mr. Chairman, the Minister of Trade and Commerce has made it quite plain that he believes it is to the advantage of Canada to maintain a surplus of wheat. He has also emphasized the fact that he believes the government should be prepared to relieve the farmers of some of the burden created by storage charges on the wheat held by the elevators, but on the other hand he does not feel that the surplus position creates any burden upon the farmer.

I would agree with the Minister of Trade and Commerce wholeheartedly that it is in the national interest to maintain a substantial reserve of wheat. We feel that a reserve of wheat should be maintained as a national responsibility so that in the event of a series of crop failures we would have enough wheat on hand to meet domestic requirements as

well as to fill the demand from foreign markets. But we do not believe that the farmers should be required to finance the cost of maintaining that reserve.

I should like to quote what the minister said on this point, as found at page 129 of *Hansard* of January 16:

> As far as the long-term situation is concerned, it seemed to me it was a hardship on the western farmer that he should be required to pay the carrying charges at the level required when grain storage is filled for practically twelve months in the year.

This is the point I want to draw to the attention of the house.

> Apart from that, it did not seem to me that there was any particular burden on the farmer through this condition of plenty.

Toward the bottom of the same page he said:

> We shall endeavour to see that hardship is not permitted to fall on the producer, but we are glad to have surpluses, particularly at a time when, in so many areas, we have acute shortages that hold within themselves the seeds of inflation.

As I say, we agree wholeheartedly with the minister on the desirability of maintaining a substantial reserve, but we do not agree with the minister that by merely paying the storage charges on a certain portion of the wheat held in storage in the elevators the burden is being lifted from the farmers. The minister apparently feels that it does not cost any more to produce and harvest a big crop than it does a medium one.

Mr. Howe (Port Arthur): Mr. Chairman, I have never said that and I do not agree with the suggestion. I do know that the size of the crop makes a difference.

Mr. Quelch: If the minister does not agree with that, I cannot understand why he should suggest that there is no burden on the farmers in carrying surpluses, because when they have been able to sell only a certain amount of wheat under a quota, the amount they have sold is only equivalent to quite a small crop.

Mr. Howe (Port Arthur): Mr. Chairman, 8 bushels per specified acre is about 16 bushels per seeded acre, and 16 bushels per seeded acre is not a small crop on an average across the prairies.

Mr. Quelch: The average in Alberta for the last year or two has been around 27 bushels, and the average in the area that I represent runs around 25. Right now in the good crop gumbo areas it runs around 35.

Mr. Howe (Port Arthur): Over how many years? Is that just during the wet period?

Mr. Quelch: On the gumbo plains it is over a long period of time. I would say the average yield now is probably around 35, but over a long period I should imagine that on the gumbo plains it would be about 25.

We are faced with this situation. When a large crop is in sight the farmer has to consider whether he can harvest that crop with his existing machinery. In some cases he may feel he will have to buy additional machinery. In some cases he may feel that his machinery is worn out and that new machinery should be bought. On the other hand, if he decides to try to harvest a heavy crop with machinery that he knows is in poor condition he is very liable to be faced with heavy costs resulting from breakdowns and loss of time, and heavy costs resulting from repair bills. He will have additional costs for fuel and labour and the additional cost of providing storage for that heavy crop. Therefore until the surplus wheat now on the farms is sold, the farmers are faced with the debts which were accumulated as a result of raising that heavy crop.

Of course it is not only the farmer who is suffering in the rural areas. Another person who is suffering just as much as the farmer, and in some cases even more, is the small, local businessman who in many cases has acted as the farmer's banker, advanced him credit and allowed him to obtain supplies without even signing a note. Many of these small businessmen have their backs to the wall today. They are in a position where the wholesalers will not allow them to have any more goods unless they pay cash. If any goods are shipped to them they are shipped c.o.d., and they cannot even lift them from the station without paying for them. I know many good businessmen, though perhaps they have been a little bit too generous, who are having a lot of difficulty in carrying on at the present time.

I find that in most cases the old established farmer is able to meet these costs from his savings. He is in that fortunate position. Many of the older farmers who are hoping to retire shortly are having to use a lot of the money upon which they intended to retire to meet current costs of operation which cannot be met by the sale of wheat. The minister will undoubtedly argue that this situation will soon be remedied, and that as soon as they can sell their wheat they can replace their savings. That is true, but unfortunately many farmers are not in that fortunate position. I have in mind particularly the younger farmers, and it is these new farmers who are really caught in the squeeze today.

Take the position of the young farmer buying a farm on time. Many of the older farmers who started farming in the west between 1910 and 1920 are now retiring, and

there are many new farmers buying farms that were formerly owned by these original settlers. We find that the better the farm is, the greater the burden is for the young farmer because he is not able to deliver enough wheat to meet the costs of operation and his payments. Therefore the interest charges on the principal accumulate, and the provision of bank loans as brought down by the government is not going to help that situation very much. If he borrows money from the bank to pay some of what he owes on the farm he will still have to pay interest charges. Interest charges will still accumulate. It is a very unhappy situation for the young farmer who is trying to make his way, who owes a certain amount of money on the farm, who has wheat on the farm to sell but is not able to meet his payments, and who sees the interest charges on the farm piling up.

Coming to the question of the loan proposal itself, I think the rate of interest is unnecessarily high. I believe that where the government is substantially guaranteeing the banks against loss the banks should be sufficiently public spirited in a crisis or national emergency of this kind, whatever you may wish to call it, to make these loans available at a lower rate of interest. The minister said he had never been able to borrow money at less than 5 per cent. I do not think he wants us to take that statement too literally. If he has ever used dominion bonds as collateral, he has been able to borrow money for less than 5 per cent; he has been able to borrow money for 3½ per cent. I think most of us who have at one time or another borrowed money from the banks have used dominion bonds as collateral, and have borrowed for only 3½ per cent. The banks lend money at 3½ per cent because they have the security; they have the dominion bonds.

Mr. Howe (Port Arthur): Would my hon. friend tell me what bank lends money at 3½ per cent? I might like to change banks.

Mr. Quelch: All the chartered banks in Canada. They will lend money on the security of dominion bonds. I might mention the Bank of Montreal.

Mr. Howe (Port Arthur): They loaned money at 3½ per cent for the purpose of buying victory bonds, but for no other purpose.

Mr. Quelch: They had a government guarantee. Apparently they wanted the customer to borrow money on the bonds he had in order to buy more bonds. They certainly loaned money at 3½ per cent on bonds. Even if you were not buying victory bonds you could borrow on bonds at 4 per cent. That has been quite common practice. I have done it time and again. Therefore I know what I am talking about. The minister may shake his head, but I am speaking from personal experience in the matter. Hence in a case of this kind, when the guarantee is by the federal government, it seems to me that the banks should have been able to lend money at a lower rate of interest.

I am satisfied that a large percentage of the farmers will feel that this legislation is of little benefit to them, and therefore will not make application for assistance under it. However, no doubt some farmers who are in the unfortunate position of having to obtain money in some way or another will make application under it. Perhaps before the resolution is passed the minister could give us figures showing the number of applications that have already been made in Alberta, Saskatchewan and Manitoba, the number of loan applications that were granted and the number that were refused. I think that information would be interesting at this time.

Mr. Howe (Port Arthur): I shall be glad to do so. I have the approximate total up to the end of the year, but I have not the figures broken down as between provinces.

Mr. Quelch: I saw some mention of the approximate number in the papers the other day. I thought perhaps the minister would be able to give us the approximate number.

Mr. Howe (Port Arthur): I will try to get that information.

Mr. Quelch: In closing I will say this. In view of the fact that there are some farmers who will be obliged to seek help under this legislation, we intend to support it. Nevertheless we feel that it falls far short of meeting the needs of this situation.

Mr. Thatcher: Mr. Chairman, I should like to comment briefly on this specific resolution. As I understand it, the main purpose of the legislation is to ease the critical cash shortage among prairie farmers. As a westerner I certainly sympathize with that objective.

As hon. members know, out in western Canada our wheat surplus recently reached the almost fantastic figure of one billion bushels. Our farmers are literally buried in wheat. Unfortunately, however, deliveries are so small that the farmers can get hardly enough cash to pay current living expenses. There is a very real cash shortage. That shortage is being reflected in reduced retail sales; and through lower retail sales I think harm is being done to the manufacturing industries of the east, such as the farm implement industry, the automobile industry and

so on. I therefore suggest that today there is real reason for parliament to consider giving the western farmer a helping hand.

This afternoon I have no particular political axe to grind, but I must say that I agree with those who have already participated in this debate and said that this resolution is unsatisfactory and inadequate. I am convinced that the desired objective, namely that of helping to ease the cash shortage in the west, could be achieved more effectively by cash advances on farm-stored grain. What is more, Mr. Chairman, if the truth were known I think many Liberal members from the prairies and even one or two cabinet ministers may think likewise.

What is the weakness of the proposal we are now discussing? I think the main weakness is simply that there will not be many farmers who will use it. Today most farmers who live on the prairies can borrow money from the banks on the security of wheat, without this legislation. I admit that there will be the odd one whose credit is perhaps not too good, who will need it. But by and large that is not the case. The majority of our western farmers today are reluctant to go further into debt to the banks than they are at the present time. That is why I say I do not think they will use this legislation.

We had the same kind of act on the statute books back in 1951. It was virtually useless then. I think it is going to be virtually useless today. As a matter of fact I think the Minister of Trade and Commerce must agree with that statement because out in Calgary, I think it was on November 28, he made this statement:

> It is my hope and belief that comparatively limited use will be made of the lending facilities.

As I see it, all this legislation is going to do in the west is create more dissatisfaction, more resentment and more discontent. Almost without exception I think it is fair to say that our farm leaders, co-operatives, farm unions, wheat pools and the like have asked for cash advances on farm-stored grain.

The mechanics of such a scheme would be simple. Elevator agents would make cash advances against the quota book, on a basis decided by this parliament. Perhaps the advance would be 50 cents a bushel; maybe it would be 60 cents a bushel. That would be a matter for hon. members to decide.

The advantages to the farmer of such a scheme are obvious. In the first place there are many more elevators than there are banks, and it would be much more convenient for him to go to those agents. In the second place, I think the interest rate would be lower if the matter were handled through the board. Despite what the minister said this morning, I am convinced that the Canadian wheat board could borrow money at a lesser rate than 5 per cent. The collection of the advance would be automatic, because the amount of the advance would be repaid as the grain was delivered. Above all, as far as the farmer is concerned, when he obtained an advance he would be getting his own money. He would be getting money that he would not have to worry about paying back. It would not be money that was simply another loan.

Why has the government rejected cash advances? It cannot be because of cost to the taxpayer. In asking for cash advances the western farmer is not just asking for another government subsidy. The amount of the advance would be deducted from his payment when he delivered his grain. The interest could be deducted from his last participation certificate when the final settlement was made. I do not think cash advances would need to cost the taxpayer a single, solitary cent.

Why does the Minister of Trade and Commerce appear to oppose cash advances? In his speech last week he suggested that those who are asking for cash advances are out to destroy the Canadian wheat board. I do not think the minister would expect that statement to be taken seriously by this house or by people in the west. He knows, as well as do most hon. members, that the very people who have been asking for cash advances, such as the farm unions, co-operatives, wheat pools and the like, are those who support the wheat board most vigorously. If they thought this action would in any way endanger the Canadian wheat board, I do not think they would be making the request for cash advances.

In the second place the minister intimated that this program of cash advances would be beyond the capacity of the wheat board to administer. I find it rather difficult to accept such reasoning also. To say that the wheat board is not able to handle cash advances is a reflection on the ability and competence of the staff of the board. I do not think such an intimation has much justification.

As we deal with this problem, Mr. Chairman, it seems to me that we should bear in mind the fact that neither guaranteed bank loans nor cash advances are going to do much to solve the over-all wheat surplus problem. Neither proposal will sell one extra bushel of wheat. But in my judgment cash advances would be infinitely more effective as an emergency measure than the legislation now before us, for getting cash into the hands of the

farmers. I shall, if a vote comes, reluctantly support the resolution which is now before us.

Mr. Jutras: When the speech from the throne was being discussed, I did not participate in the debate though there was a great deal of interest amongst members in that particular debate. I knew that all these measures of particular importance to us would reappear later in the form of resolutions and bills and that I would have an opportunity of expressing my views on them. This is the first such resolution, and probably the most contentious of the lot, that is before us for discussion today.

The resolution refers to a situation which developed last fall in western Canada. As the house is fully aware, a shortage of cash developed as the result of inability to deliver grain to the elevators, particularly at harvest time. Of course this created a serious problem. There were meetings and discussions all over the three western provinces in an attempt to solve the problem. The idea of cash advances appeared to be the easiest solution, and certainly was the one that had the most appeal throughout the three western provinces. As a matter of fact it spread over the west like a prairie fire. Of course our friends in the opposition from Saskatchewan, Manitoba, the hon. member for Assiniboia and the hon. member for Prince Albert were right there to fan the fire.

However, I think we can all agree that producers and everybody have a great deal of regard for cash advances as such. I believe we can say that everybody agrees with cash advances, but when you try to translate the idea of those cash advances into a practical scheme that would be acceptable to everybody then indeed there are many opinions. Many and varied schemes evolved out of the discussion. Frankly, Mr. Chairman, no matter what you term it, if you make an advance on a certain commodity, in this case wheat, it is still a loan. Inevitably there will be interest charges and administrative costs. There will be losses in any scheme of this nature.

If the person who receives the loan or the advance is unable, for one reason or another, to deliver the grain he still has an obligation to make good with money. In effect, a cash advance is just another term for a loan. At this point I should like to refer to the hon. member for Brandon-Souris who, in his speech early in the debate, made the ridiculous and I think childish assertion that the government were accusing the western farmer of dishonesty because they required guarantees in making loans. I believe this suggestion was also taken up today by the hon. member for Assiniboia. Of course we all know that any institution that lends money, particularly other people's money, has an obligation to ensure that this money is repaid. They must get a guarantee in one form or another. I feel it is ridiculous to suggest that just because we are asking for a guarantee we are questioning the honesty of the farmers.

After all, even if a man cannot meet his financial obligations on a certain day it is certainly no indication that he is dishonest. It does happen, as we all know, that farmers, like everybody else, miscalculate and things do not work out exactly as planned. I believe the farmers themselves, as well as the farm organizations, would insist that an organization such as the wheat board operate in an efficient manner. I can understand our socialist friends being very free with other people's money, but I am a little surprised at hearing the suggestion from the hon. member, for Brandon-Souris, who is conservative in more than one sense.

Then we come to the hon. member for Prince Albert, to whom I referred previously. In the discussions in this house and outside, more recently outside, he has tried to make much of the statement the Minister of Trade and Commerce made in the course of an earlier speech. The hon. member tried to ridicule the suggestion by the minister that the members of the board would have presented their resignations if they had been called upon to administer such a scheme. The inference was that the minister was being run by the board. I think the people of Canada know the Minister of Trade and Commerce well enough to know that if he were convinced a measure was sound he would have found ways of implementing it.

It may be true that the hon. member for Prince Albert, or even the opposition, is not interested in knowing the feeling of the members of the Canadian wheat board but I can assure you, Mr. Chairman, that every producer was very much interested in finding out exactly how the members of the wheat board felt about this question. I am sure the producers gave full weight to the advice of the board on such an important question. After all, the board would be charged with the responsibility of administering the scheme, and if they have such strong feelings on the matter there must be sound reasons for it. When statements like that are made throughout the country, invariably the impression is created that the members of the Canadian wheat board have other interests at heart than the primary interest of the Canadian producer. There is no other way the suggestion can be interpreted.

I believe either we have trust and faith in the members of the board or we have

not. But it does not mean we have to blindly follow their advice. When they take such a strong view, you cannot just dismiss it. According to the hon. member for Prince Albert, he would fire the whole board overnight without batting an eye. Apparently that is what the producers could expect from the Conservative party if they were responsible for administering the board.

While I am on this subject, may I protest against the charges that are repeatedly made, and were made recently in this house, against a civil servant who in my opinion is doing his best for the producer in spite of the very great difficulties. I refer to our transport controller. Surely even if you do not agree with his results or methods you will at least give him credit for discharging his duties honestly and looking after the interests of the producer. I know for a fact that is how he discharges his duties and I know that he is very conscientious and anyone who suggests that as controller of the board he is catering to interests other than those of the producer is being extremely unfair to this man. That charge has been reiterated again and again in this house. I feel it is unfair for the controller—

Mr. Argue: Where are the box cars?

Mr. Jutras: As I said before, Mr. Chairman, even if you are the controller you do not manufacture box cars—

Mr. Argue: But you are supposed to control them.

Mr. Jutras: —and the hon. member for Assiniboia should know that as well as anyone else.

Mr. Argue: He lost them in the United States.

Mr. Jutras: If he cannot, is that an indication that his integrity should be challenged? It is perhaps a matter of opinion as to whether or not his efficiency can be challenged but surely it does not give us the right to challenge his integrity, and that is an entirely different matter.

Mr. Argue: I see that you agree he is no good; that is fair enough.

Mr. Jutras: The point I am making at this time is that we have no right to challenge his integrity. I can assure the hon. member that we will discuss the other point relating to the transport controller at another time in this house; I shall be very glad to discuss it with him in this house.

A statement has been made by another hon. member from the west to which I should like to refer briefly. I refer to a statement made by the hon. member for Winnipeg South (Mr. Trainor). I am sorry to observe that he is not in his seat; possibly I should have sent him a note but I assumed that he would be here when I spoke. However, the hon. member took it upon himself to moralize earlier in this house on this question. I must confess I believe he got a bit mixed up in his morals. Nevertheless, he in turn issued a challenge to hon. members to appear on a platform in a farming community. I observe that the hon. member is coming into the chamber now and I want at this time to give him a little kindly advice. I think he should revise his thinking in relation to the wheat board before appearing on a platform before an audience of farmers or grain producers. In the course of his remarks he referred to the wheat board's operation and termed it the charity of the Canadian taxpayer. There is nothing the farmers resent more than to have the operation of the board referred to as operating on the public charity because, as we all know and as has been explained time and time again—although apparently it has not penetrated my hon. friend's mind as yet —the board is an entirely separate operation from the government. It does not operate with public money but borrows money for the operation of the board and operates for the benefit of the producer and finally redistributes the money back to the producer. There is nothing which farmers generally resent more than to be told that the board operates as a charity from the Canadian taxpayers. I think it would be nice if the hon. member could bear that in mind before leaving the chamber.

There is, however, another misconception in the hon. member's mind which I do not intend to deal with at too great length because it is an involved question and I observed that it reappeared in the speech given by the Leader of the Opposition earlier this morning. I am referring to the nonsensical view that the government buys wheat from the farmers and that the whole procedure operates out of public money, confusing the two and trying to lay the blame there.

This point was taken up by the Leader of the Opposition this morning and was used as the basis of his argument. This is an old argument which we have heard for years, ever since the inception of the wheat board. The most staunch opponent of the Canadian wheat board has used this argument in and out of the house incessantly since the inception of the board. The Leader of the Opposition laboured the point this morning that the government was "forcing" the farmer. Let me say if there has ever been a case of voluntary

compulsion the wheat board is a good example. The Leader of the Opposition said in effect that the farmer has been forced into an impossible position. That is the effect of the argument advanced by the hon. member for Winnipeg South which was taken again by the Leader of the Opposition. I can assure both the hon. members that the farmers of western Canada and certainly all of the farm organizations can see through that argument and they have long since seen through it. As a matter of fact, it is the very argument which is causing the farmers great concern, in asking the government to share the cost of operation of any cash advance. Early last month in Winnipeg a western conference was held attended by nine farm organizations and others who met to discuss the question of cash advances. I think the discussion was more on a scheme of a permanent nature and most of the discussion was along that line, but it was based on the assumption that the government would take the responsibility for the interest and administration of the scheme. When the argument to which I have just referred was brought forward the delegates at the convention took a second look at it before asking the government to implement such a scheme, and the resolution instead of being passed was referred back to a special committee for further consideration before being presented. I am simply saying this in passing to indicate that this is an old argument and that the farm organizations in particular can see through it.

The hon. member for Moose Jaw-Lake Centre took the position this afternoon, if I understood him correctly, that the farmers and the farm organizations were unanimous in asking for cash advances through the wheat board as the responsibility of the wheat board. I submit that this is not what the Leader of the Opposition on the one hand and the Conservative party on the other have been advocating. I followed the speech of the Leader of the Opposition very closely this morning in an endeavour to ascertain what his position was in relation to this matter and I must admit that I am still not too clear on the subject. He referred to the loans being made through the ordinary channel of the wheat board as an ordinary payment. That would be exactly what the hon. member for Moose Jaw-Lake Centre advocated. However, in his concluding remarks the Leader of the Opposition added that the government should pay the interest. Did he mean that the government should pay the administrative costs and the losses? No one speaks of losses, although there are bound to be some losses, and it remains to be seen exactly what his position is on that point because it makes all the difference in the world.

I agree that in all likelihood the farm organizations will support—not without reluctance, concern and perhaps with some modifications—a scheme of cash advances if the government assumes all the responsibility. However, when you examine the basis on which it has been put by the hon. member for Moose Jaw-Lake Centre, that the board should take full responsibility, I doubt at this moment if you could get any farm organization to endorse the proposition. Certainly it is the scheme advocated by the farmers' union because in their resolution they ask the government to assume the administrative and interest charges and I have yet to see a farm organization which has come out clearly for a cash advance through the ordinary channel of the wheat board with the board assuming all responsibility. This is the very scheme to which the wheat board itself took very great exception.

I am convinced that any fair-minded man will realize there are grave dangers in such a proposition. Of course, it depends—

Mr. Trainor: What is the difference between the wheat board and the government?

An hon. Member: Do you not know the difference?

Mr. Jutras: I am glad that the hon. member for Winnipeg South has placed that remark on the record and I shall repeat it to make sure that it is on the record. The hon. member has asked what the difference is between the wheat board and the government. I would suggest that he attend several farmers' meetings and become informed on the subject, because I do not intend to take the few minutes at my disposal to explain it to him.

As I said, Mr. Chairman, the crux of the whole problem is: who will assume the responsibility in connection with any such loans and losses incurred through their operation? I would think that, at least in our part of the country and I believe generally, a great many producers would raise serious objections. You run into a great many difficulties. The farmers who do not ask for loans would have to help pay for the cost of the loans made to others. In all the discussion that has taken place since last fall on that particular point there has been no unanimity. I repeat that I doubt very much if you could get any farm organization to pass such a resolution.

When you ask the government to assume all the cost then you remove one of the main difficulties in connection with cash advances. But if we are to do that let us be fair and

admit it is an entirely different proposition when you ask the treasury to provide outright assistance. Speaking for myself and my district and Manitoba as a whole, I think the first question that would be asked, even by the farm organizations, would be, "What about the farmer who has had no crop?" There are many parts where they have had no crops for a few years, and certainly where they had no crop last year. Would they not expect to receive assistance on the same basis as those who have had a big crop? That raises another serious question to be resolved.

I am just mentioning these things in passing to indicate that the problem is by no means as simple as the opposition would like us to believe. When you talk of cash advances in general there is no difficulty, but before they can be put into operation the government must translate them into one specific scheme or another. Let us remember that when the emergency occurred three months ago a solution had to be found or a temporary expedient adopted in as short a time as possible.

At the present time throughout the western provinces the emphasis is being placed on a permanent scheme, call it cash advances or loans, in connection with farm-stored grain. I submit that this is another proposition entirely. This is a loan with the grain as security. Reference has been made to the United States scheme, but that is an entirely different proposition. This is not something new as it has been debated fully on at least two occasions in the past year. There are advantages and there are disadvantages.

So far the farm organizations throughout the country have not yet found a solution or a scheme that would be generally acceptable. It depends a great deal on how it is operated and on world conditions. If there were a need for it, that would be a good reason to institute such a system; but, as I say, it is a different system.

That is why, at the western conference held in Winnipeg last December, after due consideration they referred it back to a committee for further study. There may be merit in it, but the point is that cash advances in general do not mean very much. There must be something specific. There is no point in saying that farmers as a whole or farm organizations will support the idea of the wheat board being fully responsible for all administrative costs and so on that would be entailed. It all depends on how it is worked out.

As I say, this occurred three months ago and these bank loans were not popular and are not popular. But they have helped some people, particularly smaller operators, to a degree. The only real solution is to get the grain moving. We are fortunate that the grain is moving at the moment. I do not want to anticipate the other debate, as two of the previous speakers have, but I think it can be shown clearly that the policy pursued by the Minister of Trade and Commerce in connection with grain has been fully vindicated and will be fully vindicated in the months to come.

Mr. Harkness: Mr. Chairman, I should like to take a minute to comment on one or two statements made by the hon. member for Provencher, who has just resumed his seat. It seems to me that the hon. member devoted all of his speech to an attempt to becloud the issue. In other words he was following the technique of setting up a straw man, setting up something that nobody has really asked for, and then proceeding to knock it down.

One statement in particular to which I take objection is the statement by the hon. member for Provencher that the Conservatives would fire all the members of the wheat board. No one has ever said any such thing. One or two people in our party have said, and I think all of us would be prepared to say the same, that they doubted very much the minister's statement that the members of the wheat board would all resign if cash advances were brought in. That is a very different thing entirely.

I am not going to bother going into the other matters which the hon. member for Provencher mentioned, because I think in the course of my remarks I will be replying to him in more detail.

The measure before the house was brought forward to validate action already taken by the government in an effort to relieve the shortage of cash in the hands of the farmers due to their inability to market grain over the past several months. Everyone in western Canada realizes the seriousness of that situation of shortage of cash. The Minister of Trade and Commerce has attempted throughout to minimize the seriousness of the situation and as has been indicated by several speakers—I will not repeat this—it seems quite evident that he expects that very little use will be made of this measure, that not many farmers will take advantage of it. I think the measure is being brought in deliberately to ensure that as few farmers as possible will take advantage of it, only those who are absolutely desperate; and of those, only the ones whom the bank considers good risks will get any benefit from it.

I think there are two considerations which we should keep particularly in mind as far as this legislation is concerned. The first is the adequacy of the measure to meet

the situation which prevails and the second is whether there is an alternative measure which could be put into force to meet the situation more satisfactorily in place of the measure put forward by the government. I think on both counts there is no question that this is a pitifully inadequate piece of legislation for the situation it is designed to meet. I will be going into that in more detail.

This morning the minister said that this legislation was required solely—he stressed the word "solely"—because of the large crops of the past five years, and later on in his speech he said it was due to an abundant rainfall, that that was the only reason the legislation was necessary. Apparently in his thinking the minister leaves out of consideration altogether the effect of a large surplus of wheat in the United States and the fact that that is being disposed of—he has complained of this frequently—under give-away plans and things of that sort. He leaves out of consideration entirely the fact that there is a great deal more wheat being grown in Europe and in other parts of the world. In other words, apparently he fails completely to recognize that this is anything but a temporary situation which one or two poor crops will correct. It would appear at the present time that it is not a temporary situation. We must all admit that this particular measure is purely a temporary solution, one that will have no long-range effects whatever, and that we should not be thinking in these terms at all. What we should really be considering here is some means to meet what looks as though it would be a serious long-term situation as regards the disposal of the western wheat crop.

The minister went on to say in his usual optimistic manner that sales will be made in sufficient quantities so that farmers will be able to deliver approximately the same amount of wheat as was the case from the 1953-54 crop. What did they deliver from that crop? Under the stress of circumstances they delivered an eight-bushel per acre quota. In some cases they were not able to deliver the eight bushels per cultivated acre. If a farmer had a half-section farm with 300 acres under cultivation, he would be able to deliver 2,400 bushels of grain, which would net him, considering grades and so forth, not a great deal more than $2,400—maybe $200 or $300 more than that at the most—in most parts of western Canada. Considering his expenses, that is not sufficient to enable him to carry on operations, to meet the living expenses of himself and his family, to feed and clothe them and so forth, to pay his taxes and continue in business. Even if we are able to take from the farmers as much grain as was taken from them in the previous year, they are still going to be in a very serious situation in most cases.

The minister then went on to say that cash advances meant putting the wheat board into the lending business, and the member for Provencher (Mr. Jutras) repeated that in the usual parrot-like fashion that the members of the Liberal party follow as far as the pronouncements of the Minister of Trade and Commerce are concerned. It has been pointed out by several other people, and I pointed it out myself only a few days ago, in the throne speech debate, that cash advances being made through the agency of the wheat board do not turn the wheat board into a loaning institution. A very great distinction must be made here between a loan made by a chartered bank or any other loaning institution, on the basis of a lien against wheat held by a farmer, and an advance made by one of the agents of the wheat board to a farmer for grain he has on his farm and is ready to deliver to the wheat board. As a matter of fact, the agents of the wheat board would be doing exactly the same thing as they are doing all the time and have been doing for many years past.

Mr. Howe (Port Arthur): May I ask the hon. member a question? Would there not be a difference? In the first case the bank has security for the advance and in the second case there is no security in the hand.

Mr. Harkness: Yes, I think that the wheat board has more complete security than any bank would have, for this reason, that no farmer can deliver any grain and sell any grain except through the wheat board.

Mr. Howe (Port Arthur): That is not true.

Mr. Harkness: The minister says it is not true. The only other place he can sell any grain is to a neighbour or to another farmer. Of course, that brings up another point. There is a great deal of what, strictly speaking, under the Wheat Board Act, is illegal trade going on, that is what the minister is referring to. In other words, what has happened as a result of the extremely tight cash situation is the development of a black market or a free market, or whatever you want to call it, underneath the regular wheat board market for grain. Farmers are selling grain in that market at prices as much as 50 per cent below the regular prices quoted by the wheat board, and in many cases even less than 50 per cent. That is what the minister is referring to. But, as far as the ordinary legal sale of grain is concerned, and except for a very limited quantity which can be disposed of to farmers

in the feeding business, the only market a farmer has is the wheat board. I do not think the minister will dispute that.

Mr. Howe (Port Arthur): I know of considerable quantities—and so does my hon. friend—being sold to feeders, and that is quite a legitimate transaction, as far as I know.

Mr. Harkness: I have just said that there is a certain amount being sold, and most of it is being sold at very low prices.

Mr. Howe (Port Arthur): If advances had been made on that wheat by the wheat board, what would have happened then?

Mr. Harkness: If advances had been made on that by the wheat board, the farmer would not be in the position of having to sell it at these ridiculously low prices. He would have the money in his pocket. He would get twice the price he is getting at the present time. The only reason why anybody is selling grain at 60 cents and 70 cents a bushel, when the quoted price of the wheat board for it is $1.70 for No. 1 at Fort William, is that he is desperately in need of cash. As somebody remarked to me not very long ago, you cannot starve a farmer. You can introduce all kinds of regulations that might conceivably have that effect, but he will beat them. He will not starve. He will find some means of living.

An hon. Member: He can live on wheat.

Mr. Harkness: Nobody wants to live on a pure diet of wheat, but farmers are finding a means of getting cash in spite of the situation they are in and they will probably continue to do so. However, that is getting away from the main point I was following, which is that the elevator agents of the wheat board have been taking in grain from the farmers, making out cheques to them to cover the initial payment, and to have them make out similar cheques to cover grain on the farm—grain that they know is on the farm—is essentially the same thing. It does not involve any new administrative machinery. It does not involve anything that is going to cost a great deal of money. It can be done extremely simply and without any real risk because the farmer who has had a cash advance, unless he dies or goes out of the farming business, cannot deliver any grain without repaying that cash advance. In other words, he is in a strait-jacket as far as trying to get out of repaying that cash advance is concerned.

Mr. Howe (Port Arthur): I do not like to keep interrupting, but reference is made to the farmer who has liens on his grain. The liens would take precedence over those cash advances, I suppose, would they not?

Mr. Harkness: As a matter of fact, I do not think they would.

Mr. Howe (Port Arthur): Yes, they would. I assure you they would.

Mr. Studer: The municipal lien does.

Mr. Harkness: The municipal lien does, but the other liens do not. As a matter of fact, what does the farmer want the money for except to pay off these liens, these taxes and so forth? That is why he is trying to get the cash advances. The various points the minister is trying to make are further efforts to becloud the real issue. In that connection the minister said this morning that the farmer would be shopping around and trying to get someone to give him cash advances. That statement is ridiculous.

Mr. Studer: That is not what he said at all.

Mr. Harkness: That is exactly what he said.

Mr. Studer: It is not.

Mr. Harkness: He said it would be an undesirable thing. As a matter of fact, every farmer deals with one or two elevator men at the most and in most cases he leaves his permit book with the elevator agent. It stays there right at the elevator. He brings in grain when he is able to deliver it and it is marked off against his permit book. If the amount of the cash advance were entered in the permit book there would be no difficulty in collecting the money save in very exceptional circumstances. I admit there is no operation of any kind in which there is not some slight risk, but I would submit that the amount of loss which would occur under a scheme of that sort would be infinitesimal.

The minister also tried to maintain this morning that cash advances would not be cheaper as far as the farmers are concerned. He went on to say that the board borrows money at 3 per cent but that if the board were making cash advances the administrative costs would be at least 2 per cent more. I do not know on what basis he says they would be 2 per cent more. As I have just indicated, I cannot see where the administrative costs would amount to anything. The elevator agents, who are acting as agents of the board, are there carrying on their operations and as part of their ordinary activities and without any more remuneration, because they would be issuing cheques anyway, they could make these cash advances. In other words, there is no need to have a big administrative set-up in order to administer such a scheme, and rather than

the cost of it being 2 per cent I would think it would much more likely be one-tenth of 1 per cent or perhaps less than that.

There was one point touched on by the hon. member for Provencher which was not touched on by the minister. In none of his statements does the minister seem to acknowledge the responsibility of the board and the government, because the board is an agency of the government. There has been no admission of the responsibility of the board and the government to take this wheat off the farmers' hands because of the fact that the wheat board is the only market the farmer has. When you put into operation a legal monopoly system of any kind—there are plenty of legal monopolies, as the Minister of Justice knows—then whatever the purpose of the monopoly there are certain responsibilities that go with the granting of the monopoly. The person or persons having the monopoly are required to give certain services.

Take the case of a railway serving a certain area. They have a monopoly on that form of business in that area, and whether or not it is profitable for them to do so they are required to run trains on that line. There are many branch lines throughout the country on which the railways lose a lot of money but they are still required to run trains on those lines. When they apply for the discontinuance of service on such branch lines in most cases they are turned down. As I say, any monopoly position carries the responsibility of giving service. The government and the wheat board, having a monopoly on the marketing of grain, consequently have the responsibility of taking the grain off the farmers' hands. The farmers have no place else to sell it, and if the government and the board do not take it off their hands they should at least put cash in the farmers' hands in the form of cash advances so that they will be able to finance their operations, eat, clothe themselves and their families and carry on in a normal manner.

I do not think the government can escape from that position. They have a monopoly position in the marketing of grain through their agency, the wheat board, and therefore they have the responsibility of handling the grain. The minister also went on, as several other speakers have indicated, to give us a little lecture and say that we must be careful what we say in criticism of the government and our general wheat position because there is great danger that what we say here may have the result of causing people to refuse to buy our grain, of knocking down the price and so on. I would say the minister cannot have it both ways. Quite frequently he tells members of the opposition in the house that it does not matter what we say anyway, that we are not going to have any influence and are not going to change matters by a lot of talk. However, that having been his position with respect to a considerable number of matters, I do not think he can now turn around and say: "You must not say a word about wheat because you may ruin a sale or two." In addition, it is a ridiculous position for the minister to take because he knows just as well as I do that the people acting as buyers for other countries know the general wheat and grain situation in the world just as well as we do. Nothing we say here is going to give away any secrets or make any difference in the attitude of people buying grain.

The minister made another statement which I thought was very questionable. He said that the board has not reduced prices and it is still selling wheat. As a matter of fact, the board has reduced prices considerably on the lower grades of wheat. They had large amounts of No. 5, No. 6 and feed wheat which were not selling. As far back as three or four years ago they were urged to reduce the price to some extent so as to place this wheat in a competitive position with barley and oats as a feed grain and they refused to do so. But finally in the last year they did reduce the prices of these low grades of wheat and as a result considerable amounts have been sold. In other words, this is an indication of the fact that, in spite of what the minister says, low grade wheat in any event is still susceptible to the law of supply and demand and that if you reduce prices you can make sales.

That, as I say, has been done, and I am glad it has been done. This move has not yet succeeded in getting a good deal of this low grade grain out of the elevators and thus making room for the better grade crop we grew last year.

Mr. Trainor: It took them a long time to do it.

Mr. Harkness: As the hon. member for Winnipeg South says, it took them a long time to take this really sensible step and start to get rid of the low grade grain which was clogging the entire marketing set-up.

To sum up the situation briefly, as I see it the loan scheme is completely inadequate to meet the existing situation. The government has admitted its inadequacy by bringing forward another resolution which will be considered shortly, to pay part of the storage costs on grain. In other words, what they have done is to make two stabs at the problem, both very ineffective, instead of looking

at the situation, realizing how serious it was and taking some really useful step in order to solve it.

The next point is that the maximum amount of $1,500 by way of a loan is too small. It is not sufficient to meet the farmer's harvesting expenses and carry him through the winter. Let us take as an example the half-section farmer, not the big farmer but the half-section farmer who had 200 acres in crop last year. It was a good year and we will say he got 30 bushels to the acre. He has 6,000 bushels of grain. In most cases the half-section farmer cannot afford to have his own combine because his operation is not big enough. Quite a number of such people have combines but they do custom work for other people. We will take the more ordinary case where the man does not own a combine. He has to have his grain custom-combined. In my part of the country at any rate it would cost $5 an acre to have the grain swathed and combined. In other words, the half-section farmer had an expenditure of $1,000 simply to have his grain cut and put in his granaries, which would leave him if he got the maximum loan—he probably would not get the maximum with a half-section farm—with $500 for all the rest of his expenses, $500 on which he and his family have to live and with which to put in a crop next spring. The thing is ridiculous. It just does not meet the situation.

Mr. Howe (Port Arthur): It is ridiculous to say the loan was intended to carry a farmer for a year.

Mr. Harkness: I am not saying it was intended to carry him for a year, but certainly it must have been intended to carry him through the winter—

Mr. Howe (Port Arthur): No.

Mr. Harkness: —and to let him eat during that period and get enough money or enough credit to buy oil and so forth to put in his crop next spring. In other words, surely it must be designed to carry him six months because he is not going to get any other income before that time.

Mr. Studer: Wheat is not the only thing he grows.

Mr. Howe (Port Arthur): He is selling wheat every month.

Mr. Harkness: In a number of cases it is the only thing. If it were not for the fact that the majority of farmers have some livestock the situation would really be disastrous. They would be in a starving situation at the present time. As the hon. member for Assiniboia has said, they would be reduced to eating nothing but their own wheat. Fortunately the majority of them have some livestock. There are quite a few who are without any livestock and they are entirely dependent on grain which they produce. As I say, I think there is no question that the amount of the loan is completely inadequate. It is far too small and it will not serve the purpose for which it was intended.

Mr. Studer: Where do the farmers live who have no livestock?

Mr. Harkness: There are many of them living not far from where the hon. member is situated, right around Maple Creek.

Mr. Studer: Without livestock?

Mr. Harkness: Yes. The next point is the interest rate. I am not going to dwell on this matter. However, I do not think there is any doubt that interest rates are dependent on the risks involved. You have a government guaranteed loan to begin with. The chances of the wheat not being delivered to offset the loan are remote. If by any chance that happens the government is taking up the slack. In these circumstances a 5 per cent rate of interest is not justified.

The minister himself said that the wheat board borrows money at 3 per cent. In cases like this, if the matter is going to be handled in this way, the interest rate should be down to the same amount, in my opinion, namely 3 per cent. The other great difficulty is that many farmers have not been able to get this loan. That is the information I received. I should be interested in getting from the minister before this debate closes how many farmers have applied for a loan and how many have been given a loan; in other words, what percentage of farmers have been turned down as far as this loan is concerned? I think those figures would be extremely illuminating.

The complete inadequacy of this measure to meet the desperate shortage of cash which exists in western Canada has been quite adequately shown, in my opinion, by the speeches made on this side of the house so far today and during the speech from the throne. I would hope that the government would pay sufficient attention to those speeches to lead them to try to devise something better, or in other words, really to put into effect a system of cash advances such as that which has been urged on them by all the farm organizations in western Canada.

Mr. Tucker: There are a few points with which I should like to deal in regard to this matter. The first point that I wish to make is in connection with the attempt to indicate that a cash advance on farm-stored grain, though it must be repaid, is not a loan. The fact that the opposition parties, by trying to

make out that advances against farm-stored grain which must be repaid are not a loan and are equivalent to selling the grain, indicates what a dangerous thing it is that they are advocating. The hon. member for Acadia indicated that in his area there were charges against the grain to the extent of in some cases perhaps 60 per cent of the value. If what is advocated by the opposition were done, and if advances were made against that farm-stored grain by the elevator company on behalf of the wheat board, what you would have would be this situation. When the time came to deliver the grain, the charges would have to be paid to the extent of 60 per cent and those loans would have to be paid to the extent of 50 per cent. There would not be enough to pay actually what was owing on the grain. Who would go short? Obviously the person who would go short would be the wheat board. As no statutory priority could be given to the wheat board, before any cheque could be issued to the wheat board all these prior liens would have to be met. So the farmer would be hauling wheat in to the elevator. He would get nothing for it for himself and there would not be enough to meet the wheat board requirements.

Mr. Johnston (Bow River): The hon. member for Acadia never said there were liens on it.

Mr. Tucker: I want to develop this point.

Mr. Johnston (Bow River): Get it right.

Mr. Harkness: Is this the eastern Tucker or the western Tucker?

Mr. Tucker: I notice it is unpalatable for members of the opposition to look at the facts.

Mr. Johnston (Bow River): The hon. member for Acadia never said there were liens on it.

Mr. Tucker: I heard what he said.

Mr. Johnston (Bow River): He never said there were liens on the grain and you know that could not have been possible.

Mr. Tucker: I know what he said.

Mr. Harkness: Are you speaking as the eastern Tucker or the western Tucker?

Mr. Tucker: It is the same thing as a lien, if my hon. friend wants to make any distinction. Provincial law in this matter would apply as against the wheat board. It would not apply as against the bank. There is no use of members of the opposition trying to raise a whole lot of prejudice because the Minister of Trade and Commerce said that if the matter were handled through the wheat board these prior liens and pledges would have priority over repayment to the wheat board, and that would mean that there would be severe losses. That statement was seized on in a characteristic way by the hon. member for Assiniboia. I refer to the Minister of Trade and Commerce saying that if the loans were made by the wheat board we could not give statutory priority to these advances or loans, and that there would be losses. That statement was distorted by the hon. member for Assiniboia to his saying that the Liberal party were accusing the farmers of being dishonest.

Mr. Johnston (Bow River): That is practically what the minister said.

Mr. Tucker: Why do you not listen to what I am saying instead of being so anxious to say something different? Why do you not listen for a little while?

Mr. Johnston (Bow River): You are mixed up.

Mr. Harkness: Two-tongued Tucker toeing the line.

Mr. Tucker: The minister pointed out these facts which I think anybody who was ready to recognize the facts must recognize to be the truth.

Mr. Johnston (Bow River): He did not state the facts.

Mr. Tucker: Then we are told by the hon. member for Assiniboia something that I was not surprised to hear. First of all, he laid down a false statement that the minister in effect accused the farmers of being dishonest. Then he went on to add, "We will certainly not let the people of Saskatchewan forget that statement".

Mr. Zaplitny: Hear, hear.

Mr. Tucker: My friend the hon. member for Dauphin says, "hear, hear". Those are the accepted tactics of the C.C.F. in western Canada.

As a matter of fact I think the people are getting dissatisfied with these tactics. First of all, there is a smear which has no basis in fact and then they say, "Now just watch out how we are going to make it stick to you". That is exactly what the hon. member for Assiniboia said this morning.

Mr. Studer: The tactics of Karl Marx.

Mr. Tucker: As my hon. friend has just said, they are the accepted tactics of Karl Marx and I am not surprised at the members of the C.C.F. party following them.

Here is another example hinted at by an interruption. My hon. friends are glad to find that there is a Liberal newspaper which has put something on their editorial page about which they are already licking their lips in anticipation of how they are going to spread it all over Saskatchewan with regard to myself. Whether it is well founded or not does not worry the members of the C.C.F. party. Of course consistent with the attitude of Karl Marx which is, arouse hatred; that is the way to get into office. It does not much matter whether it is the right thing to arouse hatred as long as you get into office.

My hon. friends across the way have repeatedly taunted me with regard to the *Free Press* two-Tucker editorial. I shall therefore deal with it for a moment. Here is an extract from the editorial:

> On the afternoon of October 17 the executive of the Liberal association met, 50 strong, in Rosthern. That evening the western Mr. Tucker wired Prime Minister St. Laurent and Trade Minister Howe and, on behalf of the meeting, pressed for cash advances on farm-stored grain.
>
> But the air of Ottawa has caused a strange metamorphosis; . . .

Mr. Nicholson: True.

An hon. Member: Read it all.

Mr. Tucker: You can read it all if you want, but I believe it has already all been read in the house. I am pointing out that our executive asked for cash advances on farm stored grain. I ask you, Mr. Chairman, if that is not what this bill provides?

An hon. Member: No.

Mr. Tucker: Let us see what we are actually providing. The banks are authorized to make advances against the grain on the farm, on which there is given a statutory security. When that grain is delivered to the elevator, the agent to whom it is delivered must deduct half of the payment on the grain to repay that advance.

Some hon. Members: No.

Mr. Tucker: My hon. friends say no. I am stating exactly what I understand is provided. This is to be an advance against grain on the farm on which there is a statutory priority, and which is to be repaid out of the proceeds from that grain.

Mr. Trainor: At 5 per cent.

Mr. Tucker: We are not dealing with the interest rate at the moment, if my hon. friend will just keep his mind on one thing at a time. I am dealing with this question that it is alleged our executive asked for cash advances and when I said here in the house that what the government was proposing to do was to make cash advances, then I am accused of taking a different stand from what my executive took. My point is that when you say the banks have a right to make an advance against grain on the farm, and if they make an advance they have security on the grain, and when the grain is delivered the debt must be repaid, then you are providing for cash advances against that grain.

Mr. Harkness: You will never make that stick.

Mr. Tucker: I may not be able to make it stick, but my hon. friend is rejoicing in the fact, whether or not it is true, that I will not be able to make it stick.

Mr. Johnston (Bow River): Are you differentiating between advances and loans?

Mr. Tucker: Advances are exactly the same as loans.

Mr. Johnston (Bow River): The minister does not agree with that. He says everybody who asks for advances is a saboteur of the wheat board.

Mr. Tucker: I am dealing with the question as I see it. The minister makes his own speeches. If my hon. friend thinks I have always got to agree with the minister, he is mistaken.

Some hon. Members: Hear, hear.

Mr. Harkness: Start to show some of that disagreement.

Mr. Tucker: My hon. friends opposite say I will not be able to make it stick. They do not want me to get the truth before this house for fear I might make it stick. So far as I am concerned, I was elected to this house 20 years ago. In the meantime, I have been elected twice to the legislature. My hon. friends may taunt me that I cannot make things stick, but my experience with the people of western Canada is this. If you are honest with them, they will give you their support. My hon. friends may laugh all they want, and they have tried very hard to beat me, but I still have faith that the people do support honesty in public life rather than dishonesty. If all my hon. friends can say when I am laying the facts before this house is that whether or not they are facts I cannot make them stick, then is not that coming down to a pretty low point in political life?

Mr. Harkness: We say you cannot make them stick because they are not facts.

Mr. Tucker: It is very interesting to me. I can listen to my hon. friends opposite without getting so uneasy that I have to keep yelling at them, because it is my attitude that

we are reasonable men and I can wait until I make my arguments and leave it to the good sense of the house. I am not afraid to have the opposition present their arguments, but it would look to me as if the opposition were afraid that some advantage they think they are going to be able to reap from this editorial may be taken away from them if I explain it. I wonder if that is their attitude? They jeer that I will not be able to make it stick, even although it is true.

I repeat that an advance against farm-stored grain, on which security is given and which must be repaid with interest, is a loan. Nobody can say anything different.

Mr. Harkness: I do.

Mr. Tucker: You can it if you want to, but you will be saying something that is incorrect and it would not be the first time.

Mr. Harkness: We will let the farmers judge that.

Mr. Tucker: There again we have the idea that you think you can make the farmers believe almost anything. I do not think you are going to make them believe that the Tory party—

Mr. Harkness: You are judging me by yourself.

Mr. Tucker: I do not think you are going to make the farmers believe the Tory party is more to be trusted to maintain the wheat board as the exclusive agency for the marketing of wheat than is the present government.

Talk about making things stick. You just try to make that stick out in western Canada. The people of western Canada remember how under a Tory government wheat on the open market was permitted to go down to a point where the farmers were getting 19 cents a bushel for No. 1 wheat. Those are the people who talk to us, those are the people—

Mr. Harkness: Who established the wheat board?

Mr. Tucker: Those are the people who say the wheat board should sell more wheat; that it should reduce the price. Yes, those are the people. They do not need to tell the farmers that is a Tory policy because the farmers know it.

Mr. Harkness: Who established the wheat board?

Mr. Tucker: If my hon. friend would just keep quiet I would not have referred to the unfortunate record of the Tory party in western Canada because it was not my intention to do so.

[Mr. Tucker.]

An hon. Member: Is there a Tory party in western Canada?

Mr. Tucker: Well, the remnants of it. As a matter of fact, I realize that all the time there is a definite attack upon the wheat board. They are attacked for not selling wheat fast enough. They say the board should reduce the price to get rid of it.

Now then, what would be the effect of that? We have had several years of good crops, but there will be periods again, and history shows it, when we will have short crops. What happened in the past before we had the wheat board was this. The farmer had to market his grain. It was sold on the open market and went into the hands of the speculators. The time came ultimately when the wheat was sold, and when it was sold in years of short crops the speculator got the better price. The farmer who had no wheat to sell did not benefit. It is for that reason I have believed in the wheat board for over 30 years. It is because year after year I saw periods of good crops in western Canada when the price would fall. Then, when we had short crops and the price went up, that did not benefit the farmer but it benefited those who bought the wheat. When there was any danger of oversupply such as there is today, they let the price go down to levels such as were experienced in 1932 when good No. 1 northern wheat was sold by the farmer for 19 cents a bushel.

Now then, so far as the Winnipeg *Free Press* is concerned, they are entitled to their opinion. They do not like the wheat board as a compulsory marketing agency for Canadian wheat. I do not mind the *Free Press* disagreeing with me. In fact, Liberals disagree amongst themselves all the time, and that is the view of that newspaper. I hold a belief that the wheat board is a good thing for the western farmer, and a good thing for the Canadian economy. It is one of the things in which I believe with all my heart and soul. If it means my motives are to be questioned, if it means I may be driven out of public life, I will stick to the thing in which I believe. I do not care that much about my fate. Many of my hon. friends rejoice, thinking they have something there which indicates that I was dishonest and they hope to use it against me all over Saskatchewan and particularly in my own seat.

An hon. Member: Oh, oh.

Mr. Tucker: I know that the hon. member for Assiniboia would dearly love to use that against me but I want to say this: so far as I am concerned I have taken a stand which I think is right in this matter. I know they

will use that against me but it is not the first time I have been slandered by members of the C.C.F. party and I suppose it will not be the last. I do not propose to be deterred from saying what I think is in the best interests of the farmers of western Canada by any threats that have been made against me to the effect that I will be smeared up and that I will not be able to successfully answer their accusations.

An hon. Member: It was not the C.C.F.

Mr. Tucker: I say to every one of you, do the worst in your smear campaign; I rely on the good sense of my people.

An hon. Member: Hear, hear.

Mr. Tucker: Now, then, let me just deal with the facts of this matter—

An hon. Member: Yes, let us get to the facts.

An hon. Member: It's about time.

Mr. Tucker: I was one of those who attended the marketing conference in Saskatoon from start to finish. I believe that the hon. member for Saskatoon was there for some of the time.

Mr. Knight: I was there all the time.

Mr. Tucker: Well, I was one of those who attended all sessions and the hon. member for Qu'Appelle was another. I think the three of us were the only ones who were there at all times.

An hon. Member: You are wrong again.

Mr. Tucker: I think the hon. member for Prince Albert looked in two or three times.

Now, Mr. Chairman, the marketing conference was called by the interprovincial farm union council and they invited to that meeting the members of the farm unions, representatives of the pools and of the United Grain Growers, representatives of labour, chambers of commerce and so on.

I have in my hand a report of that meeting which was sent to me by the secretary of the meeting and so that there may be no doubt about it, I am going to read the first two resolutions passed at that conference. The first resolution that was laid down was to the effect that the wheat board had the confidence of the people present. The resolution was passed unanimously without a single dissenting voice and it read as follows:

> That this conference express its confidence in the Canadian wheat board as a sound method of marketing Canadian grain.

That resolution was carried.

The next resolution concerned advances to farmers and reads as follows:

> Motion as amended—

Observe that it was the motion as amended—

> Be it resolved that the organizations participating in this conference urge the government of Canada to make immediate provision for advances to farmers on grain in store on the farm, and further that these advances should be up to one half the value of the normal delivery expected and should be repayable on the basis of one half of the value of each delivery made by the farmer.

This was the resolution finally passed by the conference but it was passed—as the hon. member for Saskatoon knows—only after a great deal of discussion and only after a resolution was brought forward representing what many of the farmers would like to have seen done; namely, have advances made through the wheat board. When this was brought forward, I think, by the representatives of the farm unions, it met with opposition. Various objections were raised by some of the people who were present, who said in effect that this procedure would involve the wheat board in the matter and put them in the position of trying to collect back money loaned from the farmers.

Mr. McCullough (Moose Mountain): The whole thing was a phony issue.

Mr. Tucker: My hon. friend says it was a phony issue, but it was raised at that conference and in all sincerity. My hon. friend seems inclined to take the attitude that no one else but himself is sincere. I find that a most distasteful attitude. I think there were many people at that conference who were as sincerely concerned about the best interests of the farmer as my hon. friend from Moose Mountain. Of course, my hon. friend labours under the impression that only he and his group are honestly and sincerely concerned about the best interests of the farmer. I think that is a most despicable attitude. Among the people who took that attitude were leaders of the pool and they would not raise a phony issue.

An hon. Member: Now let us talk about the pool annual convention.

Mr. Tucker: I will come to that if you will just contain yourself in patience.

An hon. Member: It will soon be time to quit.

Mr. Tucker: I know that you are looking forward to the end of this discussion and I do not blame you. In any event the idea was brought forward that a very strong attack was being made upon the wheat board and that if something was laid upon it whereby it had to absorb losses and had to engage in

contests in the courts as to what should be done with the money from the wheat delivered to it and had to engage in collection of loans or advances it would involve the wheat board in something it was not set up to do. They said we would prefer that the wheat board be kept as a marketing agency and not be dragged into this field and they said further they did not want their elevator agents dragged into this field. They said they would not want the wheat board engaged in the business of trying to collect debts. This represented the attitude of some of the pool leaders. Finally it was decided to appoint a committee to draw up a resolution which would urge that the government provide for advances and leave it up to the government to decide how it should be done, after hearing any representations which might be made by organizations there represented. That was the considered opinion of this conference called by the farm unions and attended by representatives from all over western Canada including representatives of the provincial governments of Saskatchewan and Manitoba. The provincial minister of agriculture of Saskatchewan supported this resolution.

An hon. Member: That was a mistake, was it not?

Mr. Tucker: Let my hon. friend tell the Hon. Mr. Nollet that.

I would like to refer again to the resolution that was passed. They wanted action from the government—

An hon. Member: They sure did.

Mr. Tucker: They decided it should be left to the government to decide what action should be taken to get money into the hands of the farmers and that it should be repaid. It surprises me to learn that some people think this was not asking for loans to be provided for; how could it not be a loan when it was going to have to be repaid? Who ever heard of the idea that if you sell something, you have to pay back the money which you received when you sold it? My hon. friends are obviously trying to distort the meaning of this resolution.

An hon. Member: Another phony explanation!

Mr. Tucker: You may say that it is a phony explanation but I am, after all, giving an explanation which you cannot answer. You can only try your usual smear tactics.

I am now coming to the editorial. I have described what had happened at this meeting representing the people of western Canada, that they were ready to leave it to the government after hearing from their representatives at the meeting of the various organizations to decide how it should make provision for the advances—

An hon. Member: What about the Rosthern resolution?

Mr. Tucker: I am coming to that if you will just contain yourself in patience. I met the Rosthern executive about three weeks later. Many present felt they would like to have advances made by the wheat board through the elevator agents. I pointed out to them what had happened at this marketing conference. I had with me the very sheet I hold in my hand and I read them the resolution passed by the marketing conference. I said the reason this conference did not ask for advances to be made through the wheat board was because they received advice from pool leaders and others to the effect that it would not be a good thing for the wheat board to become involved in this matter. I suggested to our executive that as the marketing conference was not ready to ask that the wheat board become involved for fear that it might damage it and as they believed in the wheat board as much as anyone, if this was the considered opinion of some pool leaders I was inclined to pay a lot of attention to it even though at the outset I had thought it would be simpler and easier to have these advances made through the elevator agents from the wheat board. But when I heard pool leaders tell me that this might adversely affect the wheat board I did not think we should go against their advice. I said, what is the government going to do? The government will know what has happened at the conference in Saskatoon. In view of the fact that this marketing conference did not pass a resolution asking for it to be done through the wheat board, in view of the advice given by some pool leaders, I said that I was satisfied that the pool leaders before giving that advice would have been in consultation with the members of the wheat board. I said that I expected the wheat board would be giving the same advice, that they should not be involved in this matter. So I said that as far as our executive was concerned I would suggest that we ask the government to take action as quickly as possible to provide advances being made to the farmer in a way that they thought would be best for the farmer and best for the wheat board.

I explained the thing just as carefully as I am explaining it to this committee. On the strength of my explanation the executive said that they thought I was right in my attitude and that I should draw up a resolution asking the government to provide for advances in such a way as they saw fit, but that I should emphasize the necessity of

those advances being made as quickly as possible because it had been suggested that the government could not provide for advances through the banks or in any other way unless they called parliament together. They said that I should ask the government to act as quickly as possible without waiting to call parliament. That was their attitude.

So I drew up this resolution asking the government to make advances against grain stored on the farm. Because I knew of the advice the government was likely to get from the pool leaders from what they had said at this conference I thought the best thing for me to do was to stress the need for early action and to ask the government to make advances without telling them how to provide for advances. The resolution reads:

> Recognizing the urgent pressing need of the farmers for cash to pay outstanding bills for harvesting and other expenses and for food, clothing and fuel before the onset of winter the Rosthern federal constituency Liberal executive ask the federal government to make provision at an early date for cash advances to be made to farmers on grain stored on farms to the extent of up to one-half the value of grain deliveries expected to be made during the current crop year.

That telegram was drafted to ask the government to make advances in such a way as it saw fit. It did not ask that those advances be made through the wheat board.

Mr. Zaplitny: Will the hon. member permit a question?

Mr. Tucker: The hon. member can ask it after I am through. That is the resolution which was passed after a full explanation to the executive. Naturally when I am accused of taking one stand in the west and another stand—

An hon. Member: Hear, hear.

Mr. Tucker: My hon. friend says, "Hear, hear", but he knows that what I say now is true, that I did not take another stand. I have proved that to him.

An hon. Member: Prove it to the newspapers.

Mr. Tucker: It may be hard to prove to them, but I think I can prove it to them if I have proved it to you. Fifty people attended and heard my explanation. They heard me say that the government was almost sure to act on the advice of the pool leaders and the wheat board because I said the fundamental policy of the Liberal government was not to interfere in any way with the successful functioning of the wheat board. I said that I was satisfied that if they were getting that advice they would set up some system of advances to be made through the banks.

I explained in the speech I made in this house that that was what had happened at the farm marketing conference.

I want to say to the members of this committee that I am not one who pretends that everything the government of this country does is in accord with what I might like to see done. We are a large country and no one part of the country can dictate the whole national policy. We have to have a national program and the majority must rule. An attempt must be made to take care fairly of all parts of the country. When the government lays down a policy which I think is the best policy for the country as a whole, I will support that. I know that some eastern members will support this particular measure although they may get into trouble with their constituents for doing so. It is a national policy and I must support the government that puts into effect policies with which I agree.

I am not ashamed to say that in that connection I follow the party lead. This government has set up the wheat board and it is standing solidly behind it in the midst of this crisis and that policy should have the support of every person in western Canada who believes in the wheat board.

My hon. friends say that these attacks do not have any effect on the situation. I grant that if we had an open market and wheat was always available speeches would not affect prices, but when you have over 800 million bushels of wheat under the control of the wheat board, a government body, and then there is a concerted attack being made upon the government that that board is not doing a good job in selling wheat, that it should reduce prices to get rid of the wheat, possible buyers know that the only thing necessary to be done in order to get cheaper wheat is to have the wheat board waver in its policy, for the government to tell the wheat board that they had better bow to the attacks of the opposition and drop their prices.

The Deputy Chairman: Order. I must advise the hon. member that his time has expired. For his information, may I say that I have allowed him some 90 seconds for interruptions.

An hon. Member: I knew you would never get to the wheat board resolutions.

Mr. Tucker: If you will allow me to go on I will.

Mr. Hees: Mr. Chairman, I would be the first to admit that we do not grow wheat in Broadview, but last summer I had the opportunity to travel through the western part of this country and I talked to a number of

elevator operators and wheat farmers. I found that they had quite a problem before them. Listening to the minister this morning I could hardly believe my ears because according to him there does not seem to be a problem. According to the minister, the government is selling our wheat, the farmers are absolutely satisfied and everything is perfectly satisfactory.

So I phoned up the bureau of statistics at noon just to see what our selling efforts had been as compared with those of our competitors. I got figures from the dominion bureau of statistics for the last two crop years and for the first quarter of the present crop year as compared with the first quarter of the last crop year.

Mr. Howe (Port Arthur): Is the hon. member referring to sales or exports?

Mr. Hees: I am referring to export sales; that is what they gave me.

Mr. Howe (Port Arthur): The bureau of statistics have no record of sales; they have a record of exports.

Mr. Hees: It is the actual sales that we made expressed in millions of bushels.

Mr. Howe (Port Arthur): It must be exports.

Mr. Hees: We will call them exports, but I understood they were export sales. They were sales that were made. We shipped the wheat out of the country.

Mr. Howe (Port Arthur): I think my hon. friend should be sure of what he is talking about. Sales are recorded only by the wheat board but exports are a matter of record with the bureau of statistics.

Mr. Hees: All right, I will accept the minister's correction. These are exports of wheat, and wheat flour in terms of wheat, expressed in millions of bushels. Now, I know that the minister will claim that it is not fair to compare our performance with that of the United States and Argentina because United States exports to a certain extent are give-away exports. I know that the Argentine enters into barter deals with other countries. The minister would claim that we do not want to enter into barter deals of that kind.

Even though the United States has exported 30·8 per cent more in the last crop year than the year before, and the Argentine 21·9 per cent more, we shall not hold that against the government because that is on a different basis from that on which we deal. However, I checked with the officials of his department who are in charge of our sales, with respect to exports made by Australia and France. They have assured me that both Australia and France sell under the same kind of competitive conditions as Canada, and that it is fair to compare our performance to the performances of those two countries. I am glad the minister agrees.

The figures I got for Canada were that in the crop year 1953-54 we exported 255·1 million bushels, and in the last crop year, 1954-55, we exported 251·8 million bushels, or a decrease of 3·3 million bushels, which is a percentage decrease of 1·3 per cent. Australia in the crop year 1953-54 exported 63·4 million bushels, and in the crop year 1954-55 exported 94·2 million bushels, or an increase of 30·8 million bushels, which is a percentage increase of 48·6 per cent. France in the crop year 1953-54 exported 34 million bushels, and in the crop year 1954-55 exported 83·8 million bushels, or an increase of 50 million bushels over the previous crop year, which is a percentage increase of 250 per cent.

Now let us look at the comparison between the first quarter of the present crop year and the first quarter of the previous crop year. In the first quarter of the previous crop year, 1954-55, Canada exported 73·8 million bushels, and in the first quarter of the present crop year, 1955-56, we exported 59·6 million bushels, or a decrease of 14·2 million bushels, which is a percentage decrease of 19 per cent. Australia exported in the first quarter of the 1954-55 crop year 21·5 million bushels, and in the first quarter of the 1955-56 crop year 23·2 million bushels, or an increase of 1·7 million bushels, which is a percentage increase of approximately eight per cent. France exported in the first quarter of the 1954-55 crop year 10·2 million bushels, and in the first quarter of the present crop year 16·1 million bushels, or an increase of 5·9 million bushels, which is a percentage increase of 58 per cent.

As I have said, I believe the minister will agree it is perfectly fair to compare the performances of France and Australia with that of Canada, as all three of us are selling under the same competitive conditions. Yet in the past crop year we exported 3·3 million bushels less than in the previous crop year, whilst the other two countries between them exported 80·8 million bushels more than they did in the previous crop year.

The same performance took place in the first quarter of this crop year. Canada dropped by 14·2 million bushels, and the other two between them have increased by approximately 7·6 million bushels.

That shows that our selling effort is not what should be expected of this government. Other countries working under the same competitive conditions as Canada have sold considerably more wheat during the past crop

year than in the previous crop year, and that increase has been maintained into the first quarter of the present crop year. This shows that somewhere Canada is falling down. We are not as aggressive or for some other reason we are not making the sales. We are selling less wheat, whilst other countries working under the same conditions are selling more wheat.

Therefore the government is very much to be condemned for allowing competitors to beat us right across the board while our sales are dropping off. That is the kind of performance that would cause a sales manager to require a very good explanation from a salesman; if it was not forthcoming, the salesman would be out of a job. The Canadian people, especially the wheat farmers of Canada, have a right to demand an explanation for that very poor showing from this government.

The other thing that impressed me when I listened to the minister this morning was that it seemed, according to him, that the western wheat farmers are perfectly satisfied, first of all, with the selling efforts of the government and, secondly, with the bank loans which have been arranged by the government for them at 5 per cent. The best way to find out what the people think about something is first of all to go out and talk to them, which I did this fall, and secondly to have a report of a meeting where a representative group gathers and expresses its opinions. That I have here in my hand.

This is a report given of a meeting held in Minnedosa, Manitoba, in the middle of November, attended by no less a person than the genial Minister of Justice. According to this report, it was quite a meeting. As the Minister of Justice will assure the Minister of Trade and Commerce, you would not find anywhere a finer group of people than you find in Minnedosa. I had the privilege of being there last summer and the year before and I talked to many of these people. I am sure the Minister of Justice will back me up when I say that these people are good wheat farmers. This is an average wheat farming community in western Canada, and the people who live in that community and who attended this meeting—I am sure the Minister of Justice will correct me if he does not agree completely with what I say—the people who attended this particular meeting in large numbers were some of the finest people you would find. They are fair-minded, they are calm, collected, reasonable people, wanting only a square deal and asking nothing special from anybody. All that they ask is fair treatment.

Mr. Argue: They used to vote for the government.

Mr. Hees: This report I have here which appears in the Minnedosa *Tribune* of Thursday, November 17, is headed "Garson Gets 'Hot Potato'; Western Farmers Hostile." It states:

> The honourable Stewart Garson (Minister of Justice, Lib. M.P. Marquette) had hold of a hot one on Thursday night when he stood on the stage of the Legion hall in Minnedosa following the presentation of the brief and his talk to the audience.
>
> For a period of three hours Mr. Garson parried questions hurled at him from the floor. Although, to the casual observer, these questions may have appeared to be merely a means to trip up the cabinet minister, they were questions of vital concern to the farmers of Minnedosa area as well as the farmers across western Canada.
>
> One of the questions that came up continually was that Canada seems to be so critical of U.S. grain selling program, but what has the Canadian government to offer in its place?
>
> Mr. Garson said that Canada hasn't any program that she can lay her finger on at the present time.

Then I go on to a little later in the meeting and the report has this to say:

> Mr. Rudolph Usick took the floor again and reiterated that as yet Mr. Garson hadn't answered the question of what was going to happen. He read from various news clippings indicating that there was a solution to the problem if the government wished to look for it.
>
> Mr. Garson remarked that Mr. Usick should be on the wheat board at an attractive salary if he knew the answers. He asked Mr. Usick if he thought the wheat board hadn't studied all these proposed solutions. The wheat board has proven in the past that it can get rid of the grain. Unfortunately it is bucking the American give-away program. But if the farmers will only have patience and not make the situation worse then something will turn up. Mr. Garson again admitted that there was no solution at the present time but feels that with Mr. Howe at the head things will turn out all right.

That is the kind of answer that was provided to the questions which these people were very rightly asking. A little later in the meeting the newspaper report has this to say:

> Spokesmen for the farmers ridiculed the farm loan which got great approval from the audience. Mr. Garson was asked how he would like to go to the bank and borrow his salary at 5 per cent interest.

That is a very good question and I should like to hear the answer.

Mr. Argue: He would certainly have a lot of interest to pay.

Mr. Hees: I continue:

> In the eyes of the farmer that is what it amounts to. He has to pay interest on his year's labour. Herbie Schulz said that there was no criticism of the wheat board but that the present crisis was the direct result of government bungling. The government has tied the wheat board up in a straightjacket as far as invoking any system that

will move grain. He said that the Canadian government is going all out at every turn—

Mr. Howe (Port Arthur): On a point of order, is it in order for an hon. member to read the expressions of people outside the house and, more than that, is it in order to read pages of a newspaper in a debate of this kind?

Mr. Argue: The cabinet does it all the time.

The Deputy Chairman: On the point of order raised by the minister, I do not think there is any question that the editorial does not conflict with the rules of the house in that it does not comment on the proceedings of the house. But there is, as I think the hon. member for Broadview will agreee, if not a provision at least a series of Speakers' rulings against the reading of lengthy editorials so that the speech becomes the speech of the writer of the newspaper article rather than that of the member who has the floor. I think the hon. member is quite capable of expressing his views in his own words without too much assistance from newspapers.

Mr. Hees: Thank you, Mr. Chairman. This is not an editorial. This is simply a straight news report, and I am almost through. The reason I am reading it is that I think it expresses very clearly to the house the feelings of the average wheat farmer about what the government is doing and not doing. It is for that reason and that reason alone that I am reading it, and I will be through very shortly. The report goes on to say:

> With regard to the cash loans he said it was an insult to the integrity and industry of the Canadian farmer. Another young farmer wanted to know what he was supposed to do come spring. The cash loan is based on the amount of bushels of grain one has. He figures he could borrow $1,300. When he sells his grain, one-half of this goes back to the bank, leaving him a surplus of $650 which is debt. How does the government expect him to live and put in a crop on that?

That again is a very good question, and again it remained unanswered by the minister. The report continues:

> These types of questions carried on until 1.00 a.m. before the 600 audience that packed the hall.

I read that, Mr. Chairman, simply to show how good, sensible, reasonable Canadian western wheat farmers feel about what the government is doing and is not doing. They are incensed about what the government is doing.

Mr. Howe (Port Arthur): What is your opinion? You are talking about sensible people but we would like to hear your view as well.

Mr. Hees: They consider it an insult. They do not consider what the government is doing to be in any way satisfactory, and for that reason members of this house have a perfect right to stand up and demand that the government not only sell our wheat but also that until they have sold it they make available cash advances without interest to the farmers who are being victimized by the government's complete failure to sell our wheat at the present time. There is no excuse for the government not selling it. Other countries working under exactly the same competitive conditions have been able to go out and make very important increases in sales in the past year. The reason the government has not done so is that they seem to have lost their knack of selling, if they ever had it, and it is about time they took some lessons in how to sell, got out and sold and helped the farmers instead of sitting back and doing nothing about it. I certainly hope the minister will do just that.

Mr. Bryson: Mr. Chairman, I think we all witnessed a very amazing performance a few minutes ago by the hon. member for Rosthern. It seems a very strange thing to me that all of a sudden the hon. member has blossomed out as the great champion of the government so far as this legislation is concerned. I do not know how to account for this thawing-out process, but I can assure the house that when this issue was being debated throughout western Canada last fall the hon. member for Rosthern and his colleagues in the Liberal party in Saskatchewan were in a deep freeze out there and we did not hear very much from them. I am not too sure whether or not it is the warm weather down there that has been a contributing factor in that thawing-out process.

Mr. Tucker: On a question of privilege, the hon. member for Assiniboia can tell my hon. friend that there was no concealment of my views because the hon. member for Assiniboia and I had a debate on the matter before the students of the University of Saskatchewan and there was no attempt to conceal my position at that time.

Mr. Argue: It was as transparent then as it is now.

Mr. Bryson: I heard the speech and I did not think it was even worth considering at this point. I suppose I should rise with some temerity to take part in this debate in view of the pointed threat made by the Minister of Trade and Commerce this morning to the effect that debate on this legislation should not be carried on by the opposition for any length of time. I should like to say at the outset that I am not only taking part in the debate to express my own objections to the legislation but I am also taking part at

the express request of the many thousands of farmers who reside in my constituency and who have made it known to me in no uncertain terms that I am to put forward their objections to the legislation at every opportunity.

Mr. Howe (Port Arthur): Are you going to vote against it?

Mr. Bryson: The resolution before the house, which will of course ultimately become government legislation, is the answer the government has given to the very real and critical problem which the farmers of western Canada are grappling with today. That problem is the shortage of cash brought about because of their inability to market grain and grain products. There are a good many reasons for this shortage of cash, not the least of which is their inability to market their grain products.

I am not going to take the time of the house to place on the record once again all the reasons which have already been placed there so ably by opposition members during the throne speech debate why farmers find themselves in their present position, but may I say I think there is something very sinister in this piece of legislation, something we do not see on the surface of it. This legislation confirms a suspicion widely held on the prairies that a very peculiar situation is arising in this country. That suspicion is that the government has lost touch and has lost interest in what is happening to that section of Canada. If this situation is going to continue it will in the end spell disaster for the future economy of this country. Apparently this government—and this is the view widely held in western Canada—has become obsessed with the idea that almost overnight we have blossomed into an industrial nation and that our economic prosperity in this country is no longer dependent on our agricultural industry. As a matter of fact, in so far as western agriculture is concerned, they view it as a sort of necessary evil, an embarrassment, and one for which this government is obliged continually to apologize to the rest of Canada. This resolution goes a long way towards confirming that suspicion which is held by so many people in western Canada, and I think it is disastrous.

Prior to the introduction of this legislation meetings were held in virtually every schoolhouse and community hall in western Canada in an effort to bring to the attention of this government the fact that a serious situation had developed and that something must be done to restore to farmers in western Canada the purchasing power which they had lost. They asked for cash advances as the only reasonable and feasible method by which that purchasing power could be restored. While I admit—as do most people out there—that the government has lost touch, I should like to take a few moments to review some of the events—and only briefly—that finally led this government to acknowledge that there was a problem in western Canada. Certainly I am not going to burden the house with an account of the dramatic part that was played by the leader of the Liberal party in Saskatchewan. The part he played had all the ingredients of a mystery thriller. I refer to his safari to Ottawa—and the cloud of mystery that surrounded that trip—with his little black bag under his arm in which was deposited his secret formula.

Mr. Studer: Like the socialists' trip to Washington.

Mr. Bryson: I am glad to note that the hon. member also has become quite vocal on this question. We are going to look forward to a speech by the hon. member for Maple Creek, knowing before he makes it that it is going to be extremely hard to listen to. I am not going to say anything about the profound pronouncement that was made by that same gentleman when he returned from Ottawa. These are things which all of us would like to forget, including the leader of the Liberal party in Saskatchewan. The Americans have their ballad of Davy Crockett. We in Saskatchewan have the drama of Hammy McDonald. What is more important are the visits—and the statements that arose out of those visits—by the Prime Minister, the Minister of Trade and Commerce and the Minister of Agriculture. They were like Caesar. They went; I do not know what they saw; and they made speeches. Reluctantly they admitted that there was something wrong. As an example, the Minister of Agriculture, speaking in Edmonton, had this to say. He admitted there was something wrong but he said, "I have the answer but it is not cash advances. We need a million more people". He said that we need a greater population because we need industry but he said that we cannot get industry until we get a dam on the south Saskatchewan river. I hope the farmers of western Canada are not obliged to wait that long before some further purchasing power is returned to them.

Then we had the speech of the Minister of Trade and Commerce when he spoke to the Alberta wheat pool convention in Calgary. After making a prolonged speech he said in effect at the very end: "Farmers of western Canada, take courage. Next year you might have a crop failure." The upshot of it all was simply this. In spite of all the representations that had been made by the business and farm leaders in western Canada after they had

considered every angle of this situation and had come out in favour of cash advances, this is what happened. Instead of listening to them and taking their considered advice, this government took the advice of a sprinkling of Liberal stooges within these organizations rather than the considered opinion of these people who truly represent the farmers and the business men of western Canada.

Then when this legislation was being proposed; when we knew that this was what we were going to get; when we knew that the government as going to reintroduce the 1951 legislation which is sometimes referred to as the agricultural interim financing act, we had once again another series of meetings, this time protesting the so-called bank legislation which was being introduced. I was greatly surprised and not a little shocked the other day when I heard the Minister of Trade and Commerce say to the members of the House of Commons that the business men in western Canada were carrying on some kind of conspiracy against the farmers. He said, "My, how they would like to get their hands on this money!" In other words, he was casting doubt as to the motives of business men. That is a typical Liberal trick. When the Minister of Trade and Commerce is obliged to defend this legislation by using tactics of this kind—tactics that we would expect to come from a Liberal back bencher —it is fairly evident to me that this resolution, in so far as any merit it may have, is as barren as a mule.

After all, why should not the business men in western Canada be concerned that the purchasing power of the farmers should be restored? We know that the future prosperity and the future existence of business people scattered throughout the towns of western Canada are dependent on the prosperity of the farmer. By the same token, the farmer is just as dependent on the business man. In western Canada today—as has been stated here in this chamber today—we find the business man carrying a terrific burden of debt and carrying a great many farmers because he knows that their interests are mutual. Hence when we have statements made in this chamber that a conspiracy is going on and that the end result in all probability will be the end of the wheat board, I think that is ridiculous. I think there is a conspiracy all right, but the Minister of Trade and Commerce has named the wrong people. I would make this statement. I believe that there is going on in this country a conspiracy to wreck the wheat board and that it is being spearheaded by this Liberal government in co-operation with the Winnipeg grain exchange. I am convinced—as are a great many other people—that the marketing policies being advocated and carried out by this government have done more to undermine the farmers' confidence in the wheat board than have all these other things to which the Minister of Trade and Commerce referred. We are now confronted with this same legislation which proved to be so ineffective in 1951. Certainly assistance was needed then as the minister pointed out today in his speech. But in spite of the fact that it was needed only $626,000 out of $20 million that was guaranteed to the banks was used not because people did not need it, but for the very simple reason that they could not get it.

What is the condition of affairs today? We are in much greater need of money today than we were in 1951. In my province the cash farm income in the first 10 months of 1951 amounted to $631 million. What is it today? In the first 10 months of 1955, the cash farm income in the province of Saskatchewan was only $283 million. Of course, if you add the $21 million that was paid out in P.F.A.A. benefits, which should have been paid out the year before, then it brings it up to about $305 million, which is only half of what it was in 1951.

Let us take a look at the principle of this bill. Let us take a look at the mechanics provided for implementing the principle of this bill. Well, it is wrong on both counts. Mechanically, it is impossible to implement the provisions of this bill, and in principle it is wrong because it has no morality in it. If a comprehensive statement were to be made incorporating all the views protesting bank loans, I am sure such a statement would clearly indicate that it is a disgrace and an insult to ask farmers to pay interest on loans against their production when they have no responsibility whatever for the inadequacy of marketing policies which apparently make it impossible to sell our grain in the markets of the world. What I have said is, in substance, the preamble of a resolution presented by the federated co-operatives to this government, an organization that speaks for 150,000 farmers in Saskatchewan and Manitoba. They came out flatfooted and asked for interest-free cash advances on farm stored grain.

I have often wondered, Mr. Chairman, what would happen if at the end of a week a worker in any other industry went to the boss and said, "I want my week's pay". The man at the wicket saying "I am sorry but we did not sell as much of the products you produced last week and we cannot pay you, but I tell you what we have done. We have made arrangements with the banker on the corner and if you can answer the questions he is

going to ask you about your business and provide the necessary security he might consider giving you part of your wages but you will have to pay 5 per cent." I leave it to the imagination of members in this house as to what would happen. The worst feature of all is the fact that the farmers, after working all year and after producing what is after all the basic wealth of this country, have now to go cap in hand to the bank and ask for a loan. After expending their labour, after expending their capital, they now have to go cap in hand and ask for a loan.

Those are the arguments, Mr. Chairman, against bank loans. Those are the arguments in favour of cash advances. What about the practicability of implementing this measure? As was said this morning, there are only 350 chartered banks in the whole province of Saskatchewan. I imagine the same condition prevails in other provinces as well. There are just as many farmers who never bother with a bank as there are who do business with the bank. The banker is in an impossible position. I should like to point this out, Mr. Chairman. I have talked to a good many bankers in my constituency and I have yet to have one of them tell me that he has made a single loan with grain and nothing more as security. The form the farmer is asked to fill out is not the only form he is asked to sign. The banker is in an untenable position.

What is he going to do? I will tell you what he is going to do. He is going to go to the elevator agent, as many bankers are doing, and hold a conference with the elevator agent concerning the circumstances surrounding a man's farming operations before he can honestly make a loan. That is what is happening. What then is the bank doing for the 5 per cent interest? I am not even sure they are providing the form which the farmer is asked to fill out. They do not even have to collect the money. That is the argument that was used against cash advances, and why the government said cash advances were not feasible. The elevator agent should not be loaded with the responsibility of carrying out the provisions that would be necessary, yet today we find the elevator agent is doing the very thing the government said he could no do.

I should like to read into the record the provisions for repayment. I will only read part of it. Two tickets have to be made out. The first ticket, that is to the producer, should show the details of delivery and the deduction of one-half of the net proceeds payable to the bank. The second ticket, for the remaining half of the net proceeds, should be made payable to the lending bank and should be forwarded to the bank. The elevator agents in effect are now being used as the collecting agency for the chartered banks, and at no remuneration from the bank.

Mr. Chairman, may I call it five o'clock?

Progress reported.

PRIVILEGE

MR. HOWE (PORT ARTHUR)—HARVARD TRAINING AIRCRAFT FOR EGYPT—CORRECTION OF STATEMENT

Right Hon. C. D. Howe (Minister of Trade and Commerce): On a question of privilege, Mr. Speaker, I should like to correct a misstatement I made through carelessness. I am reminded by a question addressed to the Prime Minister (Mr. St. Laurent) this morning that on January 4 I referred to an order in council which conveyed approval of the shipment of Harvard training aircraft to the Middle East. I had in mind that orders in council were required for every export shipment, but that is not the case. They are required only in case government property is concerned. In the case of an export permit relating to private property, if it has anything to do with military affairs or if it is going to a sensitive area, ministerial concurrence is required by the ministers of external affairs, defence and trade and commerce.

The sale of the Harvard aircraft was a private transaction. No government property was involved. There are minutes of the concurrence by the three ministers but there was no order in council. I wish to make that clear because I not only misled the members of the house but I misled the Prime Minister. My officers have since pointed out the incorrectness of the statement that I made to the house.

Mr. Green: Could the minister say on what dates the approvals were given by the respective ministers?

Mr. Howe (Port Arthur): On the 7th July, 1955.

Mr. Green: By all three ministers?

Mr. Howe (Port Arthur): Yes.

Mr. Knowles: Perhaps the minister would also wish to correct his statement as to the date on which he made the misstatement? We were not sitting on January 4.

Mr. Howe (Port Arthur): January 24.

Mr. Rowe: You are only 20 days out; that is not too bad.

Mr. Howe (Port Arthur): My memory is not as good as it was when I was 20 years younger.

Small Loans Act

SMALL LOANS ACT

AMENDMENT TO PROVIDE FOR A REDUCTION IN RATE OF INTEREST

The house resumed, from Thursday, January 26, consideration of the motion of Mr. Argue for the second reading of Bill No. 3, to amend the Small Loans Act.

Mr. Claude Ellis (Regina City): Mr. Speaker, I rise in support of Bill No. 3 dealing with the proposed amendment to the Small Loans Act and to express first of all my disappointment that the parliamentary assistant to the Minister of Finance saw fit to adjourn the debate yesterday. One of the reasons given for doing so was the fact that the government is bringing forth some legislation along similar lines during the present session. However, I would remind the house that this bill was placed on the order paper last year by the hon. member for Assiniboia (Mr. Argue). I feel that a great deal of worthwhile discussion can result in a clarification of the issues before this house with respect to this legislation. The fact that the government has announced its intention to bring in legislation on this subject is in no way a guarantee that we are going to have the type of legislation which we want at this time.

I think there is no need to stress the importance of this matter in Canada today. The hon. member for Assiniboia reminded us yesterday that the amount of credit in this country has more than doubled in the past four years and that according to recent figures the amount of debt in Canada is well in excess of $2 billion.

The high interest rates charged by the small loan companies, of course, bear most heavily on the low income groups in Canada. It is quite obvious that wealthy individuals can pay cash for their purchases and if they find themselves short of cash at any given time they are able to go to the banks and borrow money at one-quarter the amount of interest charged by the small loan companies. Therefore, when we discuss this bill we are discussing a matter that comes very close to the small wage earner in this country.

I think we should for a moment examine briefly the various factors entering into the establishing of interest rates in Canada. Quite apart from the ordinary costs of doing business the profits of the loan companies play a very large part in this matter. Figures were placed on the record yesterday which showed that there had been an increase of over 1,000 per cent in the profits of companies doing business during recent years and certainly the small loan companies cannot argue that a reduction in the interest rate is going to force them out of business.

The small loan field is a most lucrative one and we need only listen to the commercials which they sponsor on the radio encouraging people to borrow money from "a friendly finance company" to find an indication of the great amount of effort the small loan companies exert in order to attract business. In other words, it is not a case of their doing an individual a personal favour. They spend lots of money in advertising designed to persuade people to take out loans for the obvious reason that lending money is a profitable business. Any suggestion that there might be a curtailment of credit owing to the revision of the interest act is certainly not valid.

The question of risk is another matter which we should examine closely. The inference is left that the excessive or exorbitant rates charged by small loan companies compensate for the vast amount of risk they undertake in lending money. The very fact that the small loan companies have set aside only ·26 of 1 per cent to cover losses on their operations indicates that the amount of risk involved is not as great as they would have us believe. We know, moreover, that the experience of the Canadian Bank of Commerce in this field leads us to a similar conclusion since they feel that ·25 per cent is quite adequate to cover any losses which they might sustain. As a matter of fact, if one looks more closely at the personal loan plan of the Canadian Bank of Commerce one finds that since the inception of the plan in 1936 until October 31, 1953, the Canadian Bank of Commerce loaned a total of $248,461,909. These figures are contained in the report of the banking and commerce committee of 1954 at page 186. The total loans written off during that period amounted to $380,378 but there was an amount subsequently collected of $157,058 which left a net loss incurred by the personal loan plan of the Canadian Bank of Commerce of $223,320 in the period 1936 to October 31, 1953.

This amounts to less than one-tenth of 1 per cent of all the money loaned during that period by the Canadian Bank of Commerce. Under those circumstances it is difficult to understand why exorbitant interest rates should be charged by the small loan companies in Canada because if one examines the risk element incurred by the Canadian Bank of Commerce and compares it with the risks involved in the small loan company field we find there is very little difference. As a matter of fact, one will recall that prior to

1954 the banks were not permitted by law to back loans by chattel mortgages. We know that on the basis of guarantees and endorsements—and we must consider the fact that a great deal of this money was loaned during the late 1930's, during the time of the depression—the banks suffered an almost negligible loss.

Once again I am going to refer to the 1954 report of the banking and commerce committee. The committee was informed at that time that the total secured loans of the small loan companies as of December 31, 1952, comprised 70·92 per cent of the total loans made and that the unsecured loans totalled 29.08 per cent. Comparable figures for the Canadian Bank of Commerce indicate that the bank had total secured loans of 60·35 per cent and a total of 39·65 per cent unsecured loans. It is quite easy to see that the small loan companies are taking no greater risks than those taken by this chartered bank.

Under these circumstances it is extremely difficult to understand why the small loan companies in this country should be permitted to charge such excessive rates of interest. I am concerned with the effect that the lowering of interest rates for small loan companies would have on consumer finance generally throughout the country. Perhaps more goods are financed or purchased on instalments, the purchases being financed by the firms involved; but as the hon. member for Assiniboia (Mr. Argue) pointed out yesterday, these rates are even more excessive.

We are told of 54 per cent being charged by a large mail order house. When I heard that figure given I found it difficult to believe that that much interest could be charged, but I turned to the catalogue of a leading mail order house—whether it is Simpsons-Sears or Eaton's does not matter—and according to the table published there I find that if you buy a $20 item to be paid for at the rate of $5 per month for four months there will be a carrying charge of $2.25.

The only way to arrive at the proper rate of interest in that case is to consider the transaction as a series of $5 loans to be repaid at monthly intervals. Thus we find that at the end of the first month the purchaser pays $5; in other words, he has had the use of $5 for one month. At the end of the second month he pays another $5 and in that instance he has had the use of that $5 for two months; at the end of the third month he pays another $5 and he has had the use of that $5 for three months. When he repays the loan with the fourth $5 payment at the end of the fourth month he has had the use of that last $5 for four months. In reality he has borrowed $5 for ten months, and that figures out at 54 per cent interest being charged by the large mail order houses in this country.

Under those circumstances I think it is quite evident that any general reduction in interest rates in any field will have a beneficial effect upon the rates throughout the whole field of consumer finance. In other words, a reduction in the rates of interest charged by small loan companies will force other consumer credit organizations to make a downward revision in their rates.

But the vicious part of the whole set-up is the fact that the people who can least afford the burden of excessive interest charges are the people who are forced to bear them. Under this iniquitous system it is the small purchaser buying the $20 item who must pay the 54 per cent interest. If he buys a $30 item the interest rate goes down. In other words, the bigger the amount of the purchase the lower the rate of interest.

While I realize that we are not concerned in this bill with the carrying charges of large retail organizations I do suggest that the passage of the bill with the consequent reduction in the interest rates allowed to be charged in the small loans field would of necessity bring a downward revision in the whole field of consumer finance. We have to recognize the fact that credit plays and will play an important part in our economy. There are those who may argue that people should save sufficient money to make these purchases, but I invite hon. members to consider the economic consequences of pursuing that line of reasoning.

I am quite certain that the average merchant in Canada depends to a large extent upon time sales in order to sell his goods. A great many people in the low-income brackets in Canada would never be able to afford what we have come to regard as the amenities of life if they could not buy on time, or else borrow money from small loan companies in order to buy the article outright.

We have no idea of the nature of the legislation the government proposes to bring down, but I think this debate will serve a most useful purpose if hon. members are able to impress upon the government the necessity of bringing about a reduction as outlined in the bill we are now discussing. If we are going to permit the charging of excessive interest rates we must justify our action in the light of the facts. I think I have said enough this afternoon to indicate that neither the profits made by the small loan companies nor the risks involved are justification for charging a rate of 2 per cent per month on the unpaid balance.

I have not heard a cogent argument as yet as to why we should persist in forcing that rate of interest on the people of this country. In the small loans field it is the small wage earner, the little fellow, who borrows, and I think this is one way in which we as a parliament can give some measure of relief to the people who are in greatest need.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, this bill is similar to one introduced last session by the same hon. member. I am not going to comment upon it at length as I intend to wait until the government's legislation is before the house. However, I do want to take this opportunity to make certain comments in connection with a meeting called by the hon. member for Rosetown-Biggar (Mr. Coldwell) in my constituency shortly before the last session of parliament ended, and at which he mentioned the Small Loans Act. The hon. member for Rosetown-Biggar came to Moose Jaw and held a meeting in our technical school auditorium. He made a number of charges against me, in which I know the house would not be particularly interested. Perhaps I am biased, but I felt that most of them were incorrect. There was one in particular which I should like to mention now. I should like to quote from a report of the meeting which appeared in the Regina *Leader-Post* as follows:

> Mr. Coldwell cited Thatcher's differences of opinion and said that when the C.C.F. party attempted to introduce measures to reduce the 24 per cent interest charges of small loan companies, to 12 per cent, Mr. Thatcher was directly and emphatically opposed to such a move. He contended, according to Mr. Coldwell, that the loan companies could not operate, and people would not be able to borrow money to buy washing machines and other articles on time.

People who were at the meeting told me that the hon. member went on to intimate that I was vigorously opposing this legislation, because I knew that if it passed I would not be able to sell merchandise from my hardware store.

What are the facts? I wish to say most emphatically—I have *Hansard* of the debate which took place—that I never commented on this particular bill at any time since I came to parliament. Page 3535 of *Hansard* of May 6, 1955, shows that the hon. member for Assiniboia (Mr. Argue) introduced the bill. It was then spoken to by the hon. member for Kenora-Rainy River (Mr. Benidickson) and a few days later, by the hon. member for Peace River (Mr. Low) and a member from British Columbia. There was no vote taken. I say that either the hon. member for Rosetown-Biggar had a research assistant who did not do his homework thoroughly, and who passed on information which was not correct, or he deliberately misrepresented the facts. If he was guilty of an error, then I would ask him publicly to apologize. If he was not, I say again that he very unfairly misrepresented the facts. This was only one of a number of charges which the hon. member made on that occasion. Later in the session I hope to refute some of the others. I say again that I think the hon. member, in coming to my constituency and taking a meeting when I was not there, should at least have stuck to the facts.

Mr. Speaker: The house will realize that, when the hon. member referred to the hon. member for Rosetown-Biggar and said that he had deliberately misrepresented certain facts or had unfairly made certain statements, I did not intervene, although some hon. members looked in my direction, because he was referring to words that were pronounced outside this house. I wish to state that if the statements referred to had been made in this house and if the hon. member were to use the same language, I would have immediately asked him to withdraw.

Mr. Thatcher: I am sorry if I did not make myself clear. I said that either one of two things must have happened. Either he must have been labouring under a misapprehension, in which case I would ask him publicly to apologize, or he was misrepresenting the facts. It must be one or the other. This is the newspaper clipping. If he has made an error, I would be glad to accept an apology and then the matter can be ended.

Mr. Colin Cameron (Nanaimo): There is an aspect to this proposed legislation that has not yet been touched upon, one which came to light two years ago before the banking and commerce committee. I refer now to the proceedings of that committee as set out on page 1071 of the report of those proceedings on Thursday, April 8, 1954. On that occasion the committee had been discussing the operations of the personal loan department of one of the chartered banks. The general manager of that bank was before the committee as a witness. The hon. member for Eglinton (Mr. Fleming) asked him this question:

> Q. May I ask you if the Canadian Bank of Commerce has been asked to extend loans to small loan companies since going into this operation?

That referred to the personal loan operation. The answer was:

> A. We have small loan companies who borrow from us. On our books we have a number of customers.
>
> Q. Has this operation affected the business you have done with those small loan companies who were your customers?
>
> A. Yes.

There was a further question:

The next question was:

Q. Favourably or otherwise?

The general manager made this reply:

A. We have lost some accounts.

That particular exchange at that time brought to my attention—though I suppose it should not have been necessary—one aspect of the operations of these small loan companies that had not occurred to me, and that is that they are in effect retailers of a commodity that is wholesaled to them by the chartered banks: the commodity of credit. If we are to assume, as I think we have the right to assume, that these companies in all probability obtain their funds from the chartered banks at between five and six per cent or possibly at a much smaller percentage, and in return retail them at rates approaching 24 per cent, we see that the mark-up on this commodity is in the neighbourhood of 400 per cent.

I suggest that we should look very carefully into this situation. The chartered banking system of Canada holds a position in our economy that is perhaps unrivalled by the banking system of any other country. It has complete control of the operations of our commercial banking system. It has explicit and implicit protection and support from the government, and the experience of one of the chartered banks in entering into this very necessary field would seem to me to indicate that it is a field in which the chartered banks should be encouraged to enter more readily than they have done in the past.

I was particularly interested two years ago when Mr. Neil J. McKinnon of the Canadian Bank of Commerce, in making his presentation in support of the request for an amendment to permit the taking of chattel mortgages, said that at the outset of their operations in the personal loan department they had required the signatures of two guarantors for every loan. Later this was reduced to one endorser, and in recent years 40 per cent of their loans had been made without any endorsation or guarantee whatever. This would indicate that this business is a comparatively safe one for the banks to engage in. I believe we should give encouragement to the banks already officially and openly in the business and also encourage the other chartered banks to follow suit. I know of no better way to do that than to reduce the enormous mark-up, as I have described it, now charged by the private loan companies on the funds they receive from the chartered banks for their business purposes.

Admittedly, the operations of this particular bank in the personal loan field have not been as extensive as one might have wished and have not been as extensive, I rather gather, as the general manager himself would have wished. During the hearings of the banking and commerce committee, I had a suspicion in my mind that there had been, if not opposition, at least rather lukewarm support for this program on the part of the bank directors, because the general manager informed us he was not at all satisfied with the extent to which they had advertised this particular service. I myself remarked that I was surprised to hear of it, as I had been a customer of that bank for a number of years and I myself had never come across any advertising or any literature on the subject of their personal loan department. It was in reply to that comment Mr. McKinnon admitted that they had been in his opinion far too conservative in their program of advertising.

I think we have in this country a banking system of sufficient size, sufficient diversity and sufficient flexibility to enable it to undertake this very necessary function for the Canadian people. I would feel much happier if I knew that those who are in need of immediate short-term financial help on a small scale were able to go to the chartered banks rather than to these organizations, which presumably are quite financially sound, but which, on the other hand, are springing up all over the country and by means of their exorbitant interest rates are putting shackles around the necks of too many of our people today. So it is with great emphasis that I voice my support for this long overdue piece of legislation.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, there is one idea I should like to advance, and I think only one. My hon. friend from Assiniboia has already covered the purpose of the bill. He has stated that the object of this bill is to reduce the maximum rate that may be charged by small loan companies from 24 per cent to 12 per cent.

My idea relates to the methods of advertising. In some cases they are nothing short of dishonest and vicious—and those are two words that for me are rather strong. I would point out that in the case of the wrapping of bacon we made it illegal—the Minister of Justice will probably correct me here, but at any rate there was an understanding that those people would no longer wrap their bacon, fat or otherwise, in red tinted wrapping paper. That restriction has become effective. It is a case of what I call dishonest advertising. If that was one then certainly here is another. As a matter of fact, I do

not think I would characterize the sample I have in my hand in that way. This one is pretty decent compared with most. In fact it is rather pleasant and at the same time pathetic. It takes the form of a nice little Christmas wrapper, and everything is sweetness and light. There is the picture of a little girl cuddling her doll in front of a brightly lit Christmas tree, and they say in the advertisement:

> The holiday season brings added happiness to young and old alike, but at the same time it is the season when many of us find ourselves short of cash because of extra expenses.

To state it briefly, if I had been introducing this private bill or if I were to introduce another one I would say that anyone whose business is the lending of money should be compelled to state the rate of interest per annum in his advertisement and I emphasize the words "per annum." That is the crux of the whole matter because the people who use these small loan companies, the people who get into these little financial jams, the people to whom this sort of pleasant thing appeals, are people who are not customarily very adroit in the matter of calculating the amount of interest per annum. Very often they have their backs to the wall. To use a colloquialism, they are in a jam and they have to do something about it immediately.

Perhaps if they knew what the rate of interest was they would take the money anyway in some cases, but I think the rate of interest per annum should be clearly stated. I have taken one example from this comparatively harmless table. For instance, they say that you can get $1,000 in cash by agreeing to repay $93.11 per month over a period of 12 months. That is all it says. You get $1,000 in cash and you repay $93.11 per month for 12 months. If I am correct in my calculations, at the end of the year you have paid back $1,117.32. That means that for the use of the $1,000 over the period—there is the catch, of course; what is the period—you pay $117.32. If you divide by 10 you are paying $11.73 for the use of $100.

I am quite sure that many people who have used such loans would say when approached that they had paid 11.73 per cent for the use of the money. But how does it work out? First of all you have to repay something every month. You have to pay back one-twelfth of the loan every month and so you actually only have the whole $1,000 for one month. Then over the next 11 months the amount of the loan diminishes by something less than $90 each month until you come to the final month when you have scarcely any of the company's money at all. Nevertheless in the final month you are still paying the same amount, not rate, of interest as you paid in the first month.

[Mr. Knight.]

Therefore when I said that the matter of the period is all-important I meant just that. The situation can be put in two ways. You can say that you have the use of $1,000 for six months or you can say that you have the use of half of the money, $500, for the 12 month period. I just made a rough calculation when the debate started, but I think I am perfectly safe in saying that the interest rate is well over 20 per cent and probably approaches the legal limit of 24 per cent.

Mr. Michener: It is 22·3.

Mr. Knight: Thank you very much. We have a mathematician in the house. At any rate, I think I have made my point. I believe that most of this advertising—whether this particular one is included I do not know—is, I say advisedly, a deliberate misrepresentation of the actual facts. I hope that something will be included in the government legislation along the lines I have indicated. Let us face it that many of these people are ignorant and in a particular financial crisis they will turn to anyone who will provide them with some money. I say that the government or somebody should protect them against themselves. I do not say that anyone in the business of lending money should be compelled to advertise, but if he wants to advertise setting forth the amount to be paid back over a certain period and so on, then I say that he should be compelled by law to state the amount of interest per annum, and I put the emphasis on the last two words, "per annum."

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I should like to commend the government very much for proposing to take some action in this very difficult matter. Those who were members of the banking and commerce committee will recall that this matter came before the committee when we met at the last session to amend the Bank Act and the Bank of Canada Act. Of course the members of the banking and commerce committee were very interested in the subject because of various reasons with which they are as familiar as the members who have spoken. They were particularly interested in what the Canadian Bank of Commerce was doing in the matter.

However, there was a feeling in the committee revising the Bank Act that it might be unwise, when they were dealing with the revision of that act, to pass any legislation which would in any way interfere with the maximum limit the banks can charge under the Bank Act, namely, 6 per cent per annum. There was the thought that the

Canadian Bank of Commerce was doing a real public service in supplying money to borrowers of small loans at a cheaper rate than the small loan companies. There was some question as to why the other banks were not entering the field more and what could be done to assist them to enter the field in a bigger way.

As I remember it, it was finally decided that it would be unwise for us to change the maximum limit in the Bank Act from 6 per cent in order to encourage the making of these small loans by other banks because it was so hard to define a small loan, and if we lifted the maximum amount of 6 per cent the question would then arise as to how you would prevent loans now being made by the banks at 6 per cent at a higher rate than 6 per cent under any new provision that might be included in the legislation. In other words unless you could define a small loan so that a whole lot of loans made today at 6 per cent would not be made at the higher rate, then in trying to solve the problem you might bring about the result that more people would have to pay more interest than they were paying before.

I do not think anybody in the banking and commerce committee felt that any really satisfactory conclusion had been reached. It was realized that the Canadian Bank of Commerce in receiving an effective rate of interest of 10·46 per cent was, in the opinion of some lawyers, infringing on the Bank Act which sets the maximum rate a bank can collect at 6 per cent. The Canadian Bank of Commerce had received a legal opinion which indicated they had the right to operate as they were doing and they were going ahead with that business, but apparently the other banks would not enter the field unless there was some change in the Bank Act to put it beyond doubt that they had a right to charge more than the 6 per cent set out in that act.

As I have stated, the banking and commerce committee were a little bit nervous about tampering with the maximum rate and I do not think anybody really suggested that the maximum rate in the Bank Act should be changed. The Canadian Bank of Commerce was asked if they could suggest an amendment that would prevent loans being made—loans that today are being made at 6 per cent—at a higher rate of interest than 6 per cent and restricted to strictly personal loans. I think they brought in a suggested amendment but one which I believe did not satisfy any member of the banking and commerce committee. I should say I think most of the members of the committee felt really appreciative of the attitude of the Canadian Bank of Commerce because they were persisting in staying in this field which they had entered about 18 years ago and were providing money to borrowers at less than 12 per cent a year. I expect that it is the attitude of the government to ask some committee either here or in the Senate to go into this matter. It is such a complicated matter that I would not want to express any definite opinion on it in case it is referred to our banking and commerce committee of which I am a member.

When the first small loan bills came before this house—I think it was in 1937—to authorize a rate of 2 per cent per month being charged, I opposed those bills strongly. Then evidence was brought in indicating that if you do not provide a legal way by which borrowers of small amounts can get money at 2 per cent interest, you will find that they are resorting to lenders who are not under any control whatever and who will charge more. That is the argument that was used. Finally it was accepted by the banking and commerce committee and these bills finally went through after they had been before the banking and commerce committee for two sessions.

As I say, this question again came before the banking and commerce committee last year. I think it would perhaps be useful to read the comment or the summing up of the Canadian Bank of Commerce in the matter because it is something in which I think all hon. members are greatly interested and are much concerned about, namely that persons having to borrow small sums of money should not be obliged to pay exorbitant rates for it. This comment by the Canadian Bank of Commerce in their brief indicates some of the difficulties involved in the matter. As I say, I want to commend the government for introducing legislation so that something can be done about it if it is at all possible.

I am reading from page 822 of the proceedings of the standing committee of the House of Commons on banking and commerce. This is from the brief of the Canadian Bank of Commerce. Before I read that comment I might say that the members of the committee were greatly interested in the brief because it made an examination of the small loan companies' operations and compared them with their own. An examination of their earnings and costs—that is of the personal loan plan of the Canadian Bank of Commerce—shows, as I have said, that total earnings were at the rate of 10·46 per cent upon loans outstanding; that their salaries amounted to 2·77 per cent on loans outstanding; that their advertising amounted to 0·15 per cent on loans outstanding, an extremely small amount; and that other expense, including salary costs and other expenses at branches,

amounted to 3·25 per cent on loans outstanding; and that the cost of funds was 2·05 per cent. In other words, the Canadian Bank of Commerce was providing funds for the small loans branch of their activities for 2·05 per cent. This fact indicates that they were not charging a large amount of interest for the use of those funds. In commenting on this matter here is what they said at page 819. They say:

These comparisons—

That is with the small loan companies.

—are made not to offer any commentary on the operations of the small loan companies, which have obviously filled a public need in a high-cost field. The comparisons do indicate, however, that extreme economy in operations has been necessary under the personal loan plan.

That is the bank plan.

During the past 18 years the annual operating results of the personal loan plan showed a loss in each of five years and a net profit of less than $50,000 in each of six years.

That is the situation although the bank was charging an effective rate of 10·46 per cent and was getting its money for 2·05 per cent. The brief goes on to say this:

It is apparent that if expenses in the personal loan department had not been restricted to a low level compared with the small loan companies the department would have operated at a heavy loss throughout the period.

In other words the bank suggests that if they had not held down expenses to the very minimum in that branch of the bank's operations, they would have had a heavy loss throughout. They sum the whole situation up in this way, and I put it before hon. members because I think all hon. members are greatly interested in this matter and that they might well consider the opinion of this expert in the Canadian Bank of Commerce. Here is what he said:

As the personal loan plan offers facilities to the public similar to the small loan companies, but at much lower cost, it is natural to seek reasons for its failure to show greater growth. There is no single answer but the following observations suggest an explanation:

1. The small loan companies by taking chattel mortgage security do not need to require endorsers or guarantors. This enables borrowers to preserve greater privacy about their affairs.

We provided for chattel mortgages being taken, so that observation should not apply any more, as I understand the amendment we made to the Bank Act. The second reason was this:

2. The relatively low level of earnings under the personal loan plan has not permitted or warranted adequate advertising. For example, advertising costs of the personal loan plan in 1951 and 1952 totalled $10,679 while the outlays of the small loan companies totalled $1,360,775.

[Mr. Tucker.]

I would ask you, Mr. Speaker, to note that the Canadian Bank of Commerce apparently found that, although they were advancing money at less than half the cost to the borrower compared with what was charged by the small loan company, they did not get any great amount or proportion of the business and they attribute one of the reasons to the power of advertising. They said that their charges were so low that they were able to spend in two years only slightly over $10,000 while during the same time the small loan companies spent $1,360,000. It shows the power of advertising. Even although the small loan companies were charging twice what the bank was charging, that was the situation. I think there is a great deal in what was said by the hon. member for Saskatoon (Mr. Knight) with regard to these people doing the kind of advertising they do at the cost of the borrower. Their third observation is as follows:

3. Part of the reason for the low level of advertising expenditure, however, derives from policy. During the period of voluntary credit restriction of 1951/1952 and in earlier years of full employment the bank did not seek to expand personal loan volume, believing that this was not, at that time, in the public interest. It is doubtful, however, whether this had much effect other than to permit a larger volume of loans to go to the small loan companies.

In other words, as I understand it, the bank is saying there that they did not think it was in the public interest to try to press these small loans at that time. But they seemed to think that because they did not do so it meant that more went to the small loan companies.

4. The element of cost is probably not a significant consideration in the minds of the majority of small loan borrowers.

Here is the opinion of the Canadian Bank of Commerce after being 18 years in this business. In their opinion, the element of cost is probably not a significant consideration in the minds of the majority of small loan borrowers. I must admit that that to me was a most surprising thing because surely most people do not like to pay an effective rate of 24 per cent if they could get the money for 10 per cent or less. However, this is the opinion of the Canadian Bank of Commerce. Apparently good advertising can overcome the desire of people to get a good bargain.

The Canadian Bank of Commerce then winds up its statement like this:

The personal loan plan of the Canadian Bank of Commerce was created to provide a necessary service to the public at the lowest cost consistent with an economic operation; its methods of operation must, of course, conform with legal opinions upon which the scale of charges is based.

I would point out to the members that the actual situation in regard to the Canadian Bank of Commerce is that it had a net profit, after income tax, on loans outstanding of ·77 per cent. In other words, they did not earn a profit of even 1 per cent on loans outstanding.

Then, they said: they could not afford to advertise. They said they could not charge any more than they were because the base of the charge was regulated by the Bank Act. They took it that act permitted them to take a discount of 6 per cent ahead of time, but they could not go beyond that. They were definitely limited by the Bank Act as to what they could do. They said:

> —its methods of operation must, of course, conform with legal opinions upon which the scale of charges is based. As previously mentioned, the present basis is not sufficient to permit the necessary publicity and development in rendering service of greatest breadth, but it is not suggested that a scale of charges approaching the level sanctioned under the Small Loans Act should be considered. Experience has shown that the personal loan plan of the Canadian Bank of Commerce can provide an effective service at lower rates and it has also shown that authority to take security in the form of chattel mortgages is a necessary condition to the providing of comprehensive personal loan facilities.

The bank suggested, as I understood them, that the personal loan plan should apply to loans up to $3,000 or $3,500. If I may summarize in my own words what I understood this brief to say, it was that if there were some change in the law to enable them to charge something more than this 10·6 per cent, then they could extend these services to a greater extent than they had heretofore. But they made it very plain that they were not asking for a rate of charges similar to those in the Small Loans Act. The banking and commerce committee found this brief of the Canadian Bank of Commerce very intriguing, and I think believed it to be the basis upon which a further investigation should be carried out as to the way in which the banks of this country could be asked, as a public service, to enter this field. After all, the banks do get very valuable rights from this parliament. At the same time, in opening this field today, they felt we should not in any way change the limit of 6 per cent on ordinary loans.

I believe all members of the house, and particularly the members of the banking and commerce committee, will agree with me that this is a very difficult problem and one upon which we were justified in not embarking in connection with our study and revision of the Bank Act. At the time I felt this brief did lay down a foundation upon which an investigation could be made to ascertain what use could be made of the bank facilities in this country to ensure that borrowers of small amounts of money would not have to pay 24 per cent interest. I believe all members will agree that all the banks should be expected to render this service to small borrowers as part of the public service they should render in connection with the grant of their charters. At the same time, nothing should be done to interfere with the maximum amount of interest that can be charged on ordinary loans.

This is not an easy problem to solve. Certainly it is one which I think the members of this house will be glad to have an opportunity to study. My own feeling when the motion was made yesterday to adjourn this debate was that it was the thought of the parliamentary assistant (Mr. Benidickson) to the Minister of Finance that it might be a good thing if a careful study of what had happened in the past were made before various members committed themselves too definitely; that if we obtained advice from experts in this field we would not appear to be pre-judging the matter before it did come before us. It was for that reason I supported the parliamentary assistant. I believe everybody will agree this is a difficult and complicated matter. When the government has promised to introduce a bill covering the matter, I think most members of the house will want to be sure they give it the fullest possible study and get the best possible advice, in order to make sure that the course embarked upon is in the best interests of the small borrowers in this country.

Mr. Stanley Knowles (Winnipeg North Centre): I rise only for the purpose of making a few comments on the remarks made earlier by the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher). I am grateful to my hon. friend for staying in the house because I indicated to him that I would be making these comments and that I would rather make them in his presence.

The hon. member for Moose Jaw-Lake Centre quoted from a dispatch, I believe it was in an issue of the Regina *Leader-Post,* in which it was stated, and I quote:

> Mr. Coldwell cited Thatcher's differences of opinion and said that when the C.C.F. party attempted to introduce measures to reduce the 24 per cent interest charges of small loan companies to 12 per cent, Mr. Thatcher was directly and emphatically opposed to such a move.

The hon. member for Moose Jaw-Lake Centre then went on to cite *Hansard* as proof of the fact he did not oppose such a proposition on the floor of this house.

I think hon. members will readily see the error into which the hon. member for Moose Jaw-Lake Centre has fallen. My leader, the hon. member for Rosetown-Biggar (Mr. Coldwell), whose integrity needs no defence in this house or in this country, did not say that the hon. member for Moose Jaw-Lake Centre opposed this proposition on the floor of the house. The hon. member for Rosetown-Biggar said that the hon. member for Moose Jaw-Lake Centre was opposed to our introducing a measure such as this. Obviously, the opposition to which my leader had referred was not expressed in the house but was expressed somewhere else.

On motion of Mr. Regier the debate was adjourned.

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

ANSWERS TO QUESTIONS

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

APPLICATIONS FOR LOANS ON GRAIN

Question No. 12—**Mr. Diefenbaker:**

1. How many bank loans on farm-stored grain subject to government guarantees have been applied for in each province, week by week, since the inception of the plan in November last?
2. Of the said applications, how many have been turned down or refused?
3. What is the total amount loaned in each province to date?

Answer (Amended) by: **Mr. Harris:**

1 and 2. As applications are made to chartered banks, the government has no record of the number of loans applied for and the number turned down or refused.

3. To November 30, 1955: Manitoba, $109,417.00; Saskatchewan, $1,768,034.50; Alberta, $633,897.50.

DEFENCE PRODUCTION—LUMBER

Question No. 26—**Mr. Nicholson:**

How much was paid per M f.b.m. and what was the total price paid for the lumber contained in car no. CN 526338 which was received by the Department of Defence Production in Regina on or about August 28, 1954?

Answer by: **Mr. Howe (Port Arthur):**

1.	R.L.	MFBM
Rough common spruce, No. 3 with No. 4 developing ..	1"x 3"	$80.00
Rough common spruce, No. 3 with No. 4 developing ..	1"x 4"	$73.00
Rough common spruce, No. 3 with No. 4 developing ..	1"x 6"	$76.00
Rough common spruce, No. 3 with No. 4 developing ..	1"x 8"	$77.00
Rough common spruce, No. 3 with No. 4 developing ..	1"x10"	$76.00
Rough common spruce, No. 3 with No. 4 developing ..	1"x12"	$77.00

2. $1,760,000.

3. Lumber was delivered to No. 16 regional ordnance depot, Department of National Defence, Regina, Sask.

CHEESE MANUFACTURED AND EXPORTED

Question No. 43—**Mr. Stanton:**

1. How many pounds of cheese were manufactured in Canada, in each of the years 1940 to 1955 inclusive?
2. How many pounds of cheese were exported from Canada, in each of the years 1940 to 1955 inclusive?

Questions

Answer by: **Mr. Howe (Port Arthur):**

1 and 2:

	Cheese Production[1] '000 lb.	Cheese Exports[2] '000 lb.
1940	145,857	106,631
1941	152,790	92,331
1942	207,431	141,504
1943	166,275	129,741
1944	181,903	131,429
1945	188,729	135,409
1946	148,884	106,495
1947	124,831	55,531
1948	93,948	39,827
1949	121,031	52,695
1950	102,659	63,110
1951	94,314	30,653
1952	73,668	2,095
1953	83,219	16,429
1954	91,665[3]	5,006
1955	86,103[3]	11,678[4]

[1] Cheddar and other factory production excluding process cheese.
[2] All cheese.
[3] Preliminary.
[4] January to November. December exports are not yet available.

WHEAT—TRADE COMMISSIONERS

Question No. 44—**Mr. McCullough (Moose Mountain):**

1. How many trade commissioners or other personnel has Canada in foreign countries whose exclusive duty it is to sell wheat?
2. What are the names of these people and in what countries do they work?

Answer by: **Mr. Howe (Port Arthur):**

1. Canada has 85 trade commissioners stationed at 54 posts abroad. While none of these is exclusively concerned with the sale of wheat, all devote a considerable portion of their time to this subject. Trade commissioners with special training in Canadian agriculture are located at centres where the marketing of our agricultural products is of major importance. Every wheat and flour market throughout the world is served by a Canadian trade commissioner.

In addition, the Canadian wheat board maintains its own offices in London and Washington. Canadian wheat board representatives regularly visit all of Canada's major markets for grain.

2. Attached is a list of the Canadian foreign trade service containing the names and addresses of Canadian trade commissioners located in foreign countries. The Canadian wheat board representative in London is Mr. J. B. Lawrie, 1 North Court, Great Peter street, London, England, and in Washington is Mr. C. C. Boxer, Canadian Embassy, Washington, D.C.

FOREIGN TRADE SERVICE ABROAD

*No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. .F Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 5696
	Commercial Secretary		
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, Leopoldville 1.	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
	K. G. Ramsay, Assistant Commercial Secretary		
Brazil	C. J. Van Tighem, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
	H. M. Maddick, Commercial Secretary		
Brazil	Consul and Trade Commissioner	Canadian Consulate , Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
	G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner		
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road, Cinnamon Garden, Colombo	*Mail:* P.O. Box 1006 *Cable:* Domcanada *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. B. McCullough, Commercial Counsellor	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* Canadian *Tel.:* 12-251
	A. P. Savard, Commercial Secretary		
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457

Territory	Officer	City Address	Mail and Cables, Office Telephone
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation, 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter, Assistant Trade Commissioner	5a Avenida Sud, 10-68, GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert. St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672

Territory	Officer	City Address	Mail and Cables, Office Telephone
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor W. R. Van, Commercial Secretary K. F. Osmond, Commercial Secretary (Fisheries)	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel:*. 2858
Japan Korea	J. L. Mutter, Commercial Counsellor J. E. Lancaster, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg , 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Boq 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	H. L. E. Priestman, Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D, LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel:* 33-2628
South Africa (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 22-28-10
Sweden Finland	L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet, Commercial Secretary N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W. 1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1764 Massachusetts Ave. N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Vice Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial) R. V. N. Gordon, Consul and Trade Commissioner Mr. W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Street, CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner A. A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811

Questions

Territory	Officer	City Address	Mail and Cables, Office Telephone
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart, New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Domcan *Tel.:* SUtter 1-3039
*United States, (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way, Seattle 1, Washington	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7°, Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Commercial Secretary A. G. Kniewasser Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 54-3431

HOUSE OF COMMONS

Monday, January 30, 1956

The house met at 2.30 p.m.

MOTIONS FOR PAPERS

SOUTH SASKATCHEWAN RIVER PROJECT

Motion No. 5—**Mr. Diefenbaker:**

For a copy of all correspondence with the government of Saskatchewan since the 1st day of July, 1955, regarding the South Saskatchewan river dam and irrigation project together with any reports of engineers or other investigations as to the feasibility of this project.

Motion agreed to.

P.F.R.A. AND P.F.A.A. OFFICIALS

Motion No. 10—**Mr. Diefenbaker:**

For a return showing a list of all the P.F.R.A. and P.F.A.A. officials or field officers with their respective postal or home address, salaries and expenses paid to each of them during the year 1955.

Mr. Gardiner: Mr. Speaker, there is no objection to this being brought down but I should like to point out that the inclusion of the word "salaries" would limit the number of items to be brought down. I imagine that the hon. member wants particulars in all cases, including those who are on day rates.

Mr. Speaker: Agreed to, subject to the remarks made by the Minister of Agriculture.

Motion agreed to.

CASH ADVANCES ON FARM-STORED GRAIN

Motion No. 12—**Mr. Diefenbaker:**

For a copy of all resolutions supporting the demand for cash advances on farm-stored wheat which have been received from western farm organizations and other public bodies, by the Prime Minister and any of the ministers of the government, or officials of the government, since the 15th day of August, 1955.

Mr. Dickey: This motion is in almost exactly the same terms as the motion which was passed last week in the name of the hon. member for Assiniboia (Mr. Argue). I wonder if the hon. member could let it stand? I should like to have a word with him about it.

Mr. Diefenbaker: Subject to an alteration in part, to cover additional information.

Mr. Dickey: That is what I would like to discuss with the hon. member.

Mr. Speaker: Motion stands.

PENSION ACT—TABLE OF DISABILITIES

Motion No. 16—**Mr. Herridge:**

For a copy of the table of disabilities used as a basis for assessing war disabilities in connection with the awarding of war disability pensions under the Pension Act.

Motion agreed to.

TRANS-CANADA HIGHWAY

Motion No. 17—**Mr. Robichaud:**

For a copy of all correspondence, telegrams and other documents exchanged between the government of Canada and the government of the province of New Brunswick, since January 1, 1953, with respect to trans-Canada highway.

Mr. Pinard: Mr. Speaker, in the absence of the Minister of Public Works, I would ask that this motion be accepted subject to the reservation that the government of New Brunswick be informed.

Mr. Speaker: Motion agreed to, subject to the reservation made by the Secretary of State.

Motion agreed to.

BRISTOL AIRCRAFT, LTD.—LAY-OFFS

Motion No. 18—**Mr. Knowles:**

For a copy of all communications received by any federal cabinet minister, dated at any time since December 1, 1955, with reference to lay-offs at Bristol Aircraft, Limited, at Winnipeg, and for a copy of all replies thereto.

Mr. Dickey: In the absence of the Minister of Defence Production, I would ask the hon. member to permit this to stand.

Mr. Speaker: Motion stands.

RESEARCH

PROPOSED COMMITTEE TO PROMOTE AND ACCELERATE ACTIVITY

On the order:

Notice of motion: Mr. Murphy (Lambton West)—The following proposed resolution:

That, in the opinion of this house, the government should consider the advisability of setting up a special committee representative of all parties, with power to call witnesses and send for documents and papers for the purpose of examining and reporting upon the advisability of providing inducements to promote and accelerate activities in the field of research.

Mr. Speaker: I may have to set aside this motion, pursuant to the provisions of the rule of anticipation.

Proposed Committee on Research

Mr. J. W. Murphy (Lambton West): Before Your Honour makes a ruling, I wonder if I might mention that my motion was on *Votes and Proceedings* the first day the house was in session this year and appeared on the orders of the day, as is the usual custom, on the second day. I anticipate what Your Honour is going to say. I should like to point out that my motion was made in two previous years. In consequence of the assurance of the Minister of Trade and Commerce last year that a committee would be set up, I withdrew my motion from the order paper. In the previous year, 1954, I had the same motion on the order paper, and it just so happened—as these things so happen—that when my motion was supposed to have been called, another motion which we expected was not going to be called was called, and the government supporters took good care that the last day for private members' motions was taken up completely. I was sabotaged in 1954 and scuttled in 1955. This time I want some assurance that that committee is going to be set up, and I feel justified in asking that we proceed.

Mr. Speaker: I sympathize very much with the position that the hon. member is taking and I would like to point out to him that by invoking the rule of anticipation I refer him to Campion's book of introduction to the procedure of the House of Commons. It is said, at the end of the first paragraph on page 178:

> The abuse of blocking motions is obviated by the direction given to the Speaker to have regard to the probability of the matter anticipated being brought before the house within a reasonable time.

Mr. Fulton: Mr. Speaker, will you permit—

Mr. Speaker: Yes, as soon as I am through. If there would be a chance that the government order be not called for debate at all during the present session or within a reasonable time, I would certainly allow the hon. member to proceed, but I would imagine that if a notice of motion by the government has been made a government order as recently, I believe, as the last sitting day, it has been placed there with the intention of having it proceeded with and again I say that if I were sure it would not be proceeded with within a reasonable time—I would imagine within a month or so—I would certainly let the hon. member proceed. Is there any assurance given that the government order regarding the setting up of this committee will be proceeded with?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, this notice of motion was put on the order paper with the intention of disposing of it as expeditiously as the business of the house will permit. It is intended to have the committee provided for by this item, No. 35, constituted at as early a date as the business of the house will permit so that it can get on and proceed with the matters that are provided for in the notice of motion.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the statement made by the Prime Minister (Mr. St. Laurent) goes some way, I think, to substantiate or support a ruling along the lines of that which I understand Your Honour has in mind. I think, however, there are one or two other observations which should be made. The citation which I think is applicable in this case is citation 182 of Beauchesne's third edition dealing with the question of anticipation.

Mr. Speaker: Would the hon. member be good enough to repeat the number of the citation? I did not hear it.

Mr. Fulton: It is citation No. 182 found at page 79 of Beauchesne's third edition which I think reproduces the paragraph from Campion which Your Honour has just referred us to.

As I said, I think there are a couple of points which should be decided before that citation is applied to its full extent. Obviously the rule against anticipation should not be invoked with respect to two motions which are different in substance, and I suggest to Your Honour that there are sufficient differences between these two motions to raise a doubt as to whether in fact the one anticipates the other. That is, the motion of the hon. member for Lambton West (Mr. Murphy) calls for the setting up of a committee to inquire into the field of research generally and it would also give that committee specific powers, the most important power being that of calling for witnesses and sending for documents and papers. That provision is conspicuously omitted from the motion standing in the name of the Minister of Trade and Commerce (Mr. Howe). Furthermore, the motion of the minister is confined to the field of non-military research. I do not find any such restriction in the motion of the hon. member for Lambton West, so there are, I submit, very substantial and important differences between the two motions sufficient to raise a real question as to whether the one does anticipate the other.

The other point that I think it is important to have settled quite conclusively is this, Mr. Speaker. I am quite sure that you and all hon. members would agree with me when I say that the rule against anticipation was not intended to be used—and should not be so used—to give the government, whatever

government it might be, the opportunity to block discussion of a private member's motion which chronologically anticipated the government's notice of motion simply by placing on the order paper a motion in similar terms and then not proceeding with it. That is what happened last year.

I looked up the record, and I would refer Your Honour to page 1353 of *Hansard* of last year where the hon. member for Lambton West (Mr. Murphy) withdrew his motion on the basis of a previous assurance from the Minister of Trade and Commerce (Mr. Howe) that the government intended to set up and proceed with a committee on research. The government did not proceed with its motion that year.

As I say, I think some regard must be had for the chronological order in which these motions appear on the order paper. Otherwise the broad application of the principle we are now discussing would enable the government effectively to block discussion by the simple device of placing a motion on the order paper and then not proceeding with it.

I recognize that to a considerable extent we have had an assurance from the Prime Minister (Mr. St. Laurent) today, but with all deference to yourself and to the right hon. gentleman I suggest that we should have the most absolute assurance that the government will in fact proceed at this session with the motion standing in the name of the Minister of Trade and Commerce, not merely that it is the present intention of the government to do so. For my part I would hope that Your Honour would give effect to the first point I made, namely that these motions are different in substance and that therefore one does not anticipate the other. But should Your Honour disagree with me on that point I think it is proper to ask that Your Honour should obtain from the Prime Minister the most specific assurance on the other point, namely that the government will proceed with this other motion at this session before you apply the rule against anticipation.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I supplement the submission made to you by the hon. member for Kamloops (Mr. Fulton). I point out that the resolution moved by the hon. member for Lambton West sets out as the purpose of this committee the "examining and reporting upon the advisability of providing inducements to promote and accelerate activities in the field of research." For example, that resolution is worded broadly enough to cover inducements in the way of reduction of taxation or allowances of one kind or another for money spent in research activity. The motion has to do primarily with research by industrial concerns. On the other hand, the notice of motion given by the government deals with research in so far as the national research council is concerned. The wording is: "operations of the national research council". That was what was done by a committee which was set up some years ago. They dealt with the work of the national research council. Obviously the intention of the government's motion is to deal primarily with the atomic energy field, and that matter is referred to in rather wide terms, and then to deal with the national research council; whereas what the hon. member for Lambton West is proposing is something entirely different. He is referring not so much to the national research council as to research in industry. Under those conditions I submit that it would be unfair to rule out his motion.

Mr. J. G. Diefenbaker (Prince Albert): There is one further matter, Mr. Speaker, to which I should like to refer and it is this. In the motion of the Minister of Trade and Commerce the essential words are:

> . . . to examine into the role of government—

Those are the essential words.

> —in the field of non-military research in Canada, including:
> (a) operations in the field of atomic energy,
> (b) operations of the national research council.

The motion of the hon. member for Lambton West in no way covers the role of government except indirectly. The motion of the hon. member for Lambton West has to do with private industry and research in general. One deals with the role of government, and the other with research in general. I point out, as the hon. member for Kamloops has already mentioned merely for the purpose of re-emphasizing it, that under these circumstances if a motion such as the one moved by the hon. member for Lambton West (Mr. Murphy) were ruled out by reason of the government's placing on the order paper, some 17 days later, a motion in different terms, then the government would indeed be able to control private members' days by placing on the order paper a general resolution and thereby defeating the special resolution of a private member.

Mr. St. Laurent (Quebec East): The resolution of the hon. member for Lambton West is:

> That, in the opinion of this house, the government should consider the advisability of setting up a special committee . . .

It is not a resolution to set up the committee but it is a resolution calling upon the government to consider the advisability of setting up the committee. The government has considered the advisability of setting up

a committee and has put a notice on the order paper for the setting up of that committee.

Now, it may be that some gentlemen will feel that the provisions of the notice of motion are not sufficient to authorize the committee to do everything that might be done if the government considered favourably the matter contained in the motion of the hon. member for Lambton West. If that is the feeling, at the time the motion to set up the committee was before the house an amendment could be moved and whatever decision was arrived at would be a decision that would be operative. Here, we merely have a suggestion to the government to consider the advisability of setting up a committee. It is not a motion to set up the committee with these powers. The government having given notice and having, as a government order at the present time, a motion to set up the committee, it would seem that the only logical further step would be to have hon. members decide whether the committee should be set up with the powers indicated in the notice or whether there would be added by amendment something more than is provided in the notice.

Mr. Fulton: May I ask the Prime Minister if we have an absolute commitment from the government that they are going ahead with the motion standing in the name of the Minister of Trade and Commerce?

Mr. St. Laurent (Quebec East): Mr. Speaker, I think I have given that commitment to the extent to which it can be given. Events which are not foreseen at this time can occur, but it is the firm intention of the government to proceed with this government order as soon as that can conveniently be arranged in disposing of the other business before the house.

Mr. Murphy (Lambton West): May I have another word? We all appreciate the fact that we do not want a duplication of debate. In view of the Prime Minister's assurance that the committee will be set up, I am wondering whether, instead of ruling it out of order, we could have your permission, Mr. Speaker, to let the motion stand? Probably it would be called in a month or five weeks' time on a private member's day. I hope by that time we would know whether the other committee is set up, if or when it is set up I shall be glad to withdraw the motion.

Mr. Speaker: Well, if we allow the motion to stand the hon. member will not be able to let it stand more than twice because after that it will be dropped from the order paper. I have no personal objection to that except that if he wants to call it the next time we shall have the same problem as we have now.

Hon. members should consider that in examining the anticipation rule regard should be given to the steps which lead to the most effective results. We are not looking only for academic debates. We want to have decisions taken by the house if we feel that something should be done, and since there is a government order which has been appointed by the house and appears on page 81 of the *Votes and Proceedings* of Friday, January 27, we shall not have to give consideration to the advisability of establishing a committee, but we shall definitely have the establishment of a committee whenever the order comes up. As I said, the only point that worried me, and it did worry the hon. member for Kamloops (Mr. Fulton) and others, was whether or not a motion appearing under government orders would be called within a reasonable time.

It does not appear to me that I have to deal with any other point that has been made because there seems to be general agreement that hon. members do not want duplication of debate. They realize they have their responsibilities for protraction of debate and they want to avoid duplication, if possible. If it meets with the wishes of the house I will go along with the suggestion of the hon. member for Lambton West to let the motion stand. As I say, we shall have the same problem perhaps later on when it comes up again. However, I will say that on both sides there is good faith.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it seems to me there is a way in which the request of the hon. member for Lambton West can be met, even if only somewhat academically. He could let it stand today. The next day when it is called, if he says "stand" it will be dropped; but he could then put it on the order paper again. It is true it would be at the bottom of the list, but at least he would have it on the order paper.

Mr. Speaker: Is it agreed that the motion be allowed to stand?

Some hon. Members: Stand.

Mr. Speaker: Motion stands.

HEALTH AND WELFARE

PROPOSED REQUIREMENT OF DEVICE TO RENDER HARMLESS POISONOUS GASES EMITTED BY ENGINES

Mr. J. A. Charlton (Brant-Haldimand) moved:

That, in the opinion of this house, the government should consider the advisability of taking

steps to further protect the health of the nation by requiring all trucks, tractors, buses, or any other diesel-powered vehicles, including engines on railway lines, and all stationary type of engines, be equipped with a device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

He said: I move this resolution, Mr. Speaker, because I believe that diesel and gasoline fumes are a very definite menace to the health of the nation, and especially so in districts of concentrated population. I make no apology for bringing it to the attention of hon. members, even though I realize that control measures may more properly be a matter to come under provincial jurisdiction.

It is my sincere hope that through the discussion of this resolution we may bring about a general awareness of the dangers we encounter in the air we breathe.

Canadians have fought hard for the pure food laws that guarantee that our food is uncontaminated. We have organized and paid for expensive water systems that assure us of a plentiful supply for pure water. There have been many debates on the question of whether our drinking water should be fluorinated to prevent tooth decay. But until quite recently practically nothing has been done about the air we breathe. The acute effects of unrestricted air pollution upon public health have been demonstrated unpleasantly but successfully in three air pollution disasters, namely, the Meuse valley in Belgium in 1930; Donora, Pennsylvania, in 1948; and Poza Rica, Mexico, in 1950.

The chronic effects of air pollution are not so clearly defined, but nevertheless the frequent occurrence of eye irritation during periods of smog in Los Angeles and statistics on the increase in the death rate from respiratory diseases during fogs in industrial communities in England represent evidence which cannot be ignored. Although this resolution deals specifically with diesel fumes I should like to discuss for a few minutes the possible effects of high concentrations of exhaust fumes from gasoline-burning engines.

In the case of Los Angeles, California, of which we have heard so much recently in the press, the smog condition is to a large degree caused by the exhaust fumes of motor vehicles. Dr. Haagen-Smit, a biochemist, in trying to solve the problem in Los Angeles proved that nitrogen dioxide, a product of all combustion, serves as a catalyst converting the atmospheric oxygen into its unstable form of ozone in the presence of sunshine, and proved further that smog was a result of the reaction of ozone with gasoline vapour. In the Los Angeles area there are some 2·3 million motor vehicles circulating almost daily. The quantity of unburned gasoline or gasoline vapour emitted from those vehicles is estimated to be 1,200 tons daily.

It is a well known fact that the mileage per gallon of gasoline decreases considerably in stop and go city traffic. At cruising speed about 250 parts per million of the total exhaust is unburned gasoline vapour. When a motor is idling it is two or three times that figure, but when you lift your foot off the accelerator and decelerate, the output is 5,000 parts per million. It is generally conceded that about 7 per cent of gasoline is unburned, and that figure could be increased to 8 or 9 per cent through evaporation from the carburetor or fuel tank.

This problem is one which we must face in the near future as the number of motor vehicles increases in Canada. Far more important is the fact that deadly gases are emitted with these exhaust fumes. One of these gases is known as carbon monoxide, with which the average motorist is only vaguely familiar. We may attribute this lack of familiarity to the fact that he can neither smell it, taste it, feel it nor hear it; yet in a very short space of time it can be the means of reducing the mental functions of a driver to the point where co-ordination of muscles and the ability to react properly in the operation of a vehicle to below even minimum requirements for safety.

A concentration of ·02 to ·03 per cent of carbon monoxide will cause a headache; a concentration of ·04 to ·07 per cent, unconsciousness; and a concentration of ·08 to ·10 per cent, death. Unlike some poisons it does not permit a human being to build up immunity over a period of time. Repeated exposures, particularly attacks of acute poisoning, result in a progressive increasing susceptibility to the gas and can cause acute cumulative tissue damage.

It might be well to pursue the theory that carbon monoxide is the cause of a great many accidents on our highways due to the inefficiency of drivers. At some time all of us have experienced a condition of sleepiness while driving our motor vehicles. We have also perceived odors from our own car and cars in front of us. We have experienced headaches, dizziness and sometimes car sickness. Whenever any of these occur while you are driving, consider carbon monoxide and bear in mind that death by carbon monoxide is not restricted to tightly-closed garages with the motor running and that a state of collapse has occurred when cars are parked with their motors running in some instances even while they are travelling along the highway. It is safe to assume that

carbon monoxide has contributed a great deal to many accidents heretofore classed as unexplained.

To substantiate this the California highway patrol tested 1,007 automobiles on the open highway and found that 30 cars contained concentrations of this gas in excess of the maximum safe limit. The conclusion arrived at from the survey showed that 3 per cent of the cars tested were found to have concentrations of carbon monoxide in such quantity as would affect the driver with headache, sleepiness, weakness, impaired judgment, and decrease his driving ability for a period of several hours. Another conclusion was that no automobile, regardless of design, age or type, is free from the possibility of carbon monoxide entering the driver or passenger compartment. It behooves every motorist to have his car tested for complete exhaust system tightness and to observe the rules of safety at all time in order to rule out as much as possible the dangers of this lethal gas which is an inherent part of our present-day motor vehicle.

If this condition exists on the open highway, what is the situation in areas of highly concentrated traffic. Tests have been taken in these areas and on busy streets and concentrations of ·09 per cent have been found during periods of high temperature and humidity. I have just indicated that a concentration of ·09 per cent will cause death. Here we have concentrations of ·09 per cent on busy streets during heavy traffic hours with high temperature and humidity.

Is it any wonder that the busy housewife often comes home from a shopping trip with a splitting headache? Then consider a busy street with high buildings on either side, with many of the offices equipped with air conditioners in their windows. These fumes rise and infiltrate into the offices and that is probably the reason why many secretaries have bottles of headache tablets on their desks.

Unlike the gasoline engine the diesel engine operates normally with excess air. The fuel is injected into the cylinder and is ignited by virtue of the pressure and temperature in the cylinder rather than by a spark. The fuel used is heavier than gasoline and has a higher boiling range. Because of the excess air used, very little of the fuel is normally exhausted unburned. Under certain conditions of operation, however, both smoke and aldehydes are evolved. The latter are quite noticeable when in high concentrations because of their pungent odour and eye-irritation characteristics.

Mr. Speaker, I should like to place on record in *Hansard* in the form of a table a summary of the reported variation in diesel exhaust gas composition.

Mr. Speaker: Has the hon. gentleman the consent of the house to put this table on *Hansard*?

Some hon. Members: Agreed.

Mr. Charlton: The table is a follows:

Composition of Exhaust Gas from Diesel Engines

Constituent	Maximum per cent	Minimum per cent	Typical per cent
Carbon dioxide	13·8	0·7	9·0
Carbon monoxide	6·4	nil	0·05
Oxygen	20·0	0·5	9·0
Hydrogen	2·6	nil	0·03
Methane	0·5	0	0·02
Nitrogen	84·2	79·3	81·9
Oxides of nitrogen	0·112	nil	·036
Aldehydes	0·0031	nil	·0007

The figures are reported by the air pollution control district of Los Angeles on the determination of air pollutants emitted by a 210 horsepower, two-stroke cycle diesel bus. Cruising conditions were simulated on a dynamometer by operating at 30 m.p.h. and 15 brake horsepower. Based on this study, losses of various pollutants to the atmosphere per barrel of fuel burned were: non-ether soluble aerosols, 3·2 lb.; hydrocarbons, trace; total aldehydes (calculated as formaldehyde) 0·46 lb.; oxides of nitrogen (calculated as nitrogen peroxide), 9·4 lb; organic acids (calculated as acetic acid), 1·3 lb.

It is concluded that the contribution of the various pollutants (except hydrocarbons) per barrel of fuel burned is two to ten times greater from diesel fuel than from gasoline.

The odour and irritating effects of the exhaust gas of diesel engines are caused mainly by aldehydes, which occur in varying amounts depending on several factors, such as the fuel, the air ratio at which the engine is operating, the design of the engine, engine temperature, and the condition of the fuel injection equipment or mechanism. If the exhaust gas contains a high concentration of aldehydes, it is definitely irritating to the eyes and nasal passages; in fact, the irritating effect may be more noticeable than the odour if one is exposed to a high concentration of the exhaust gas.

But the most dangerous gas in diesel fumes, both with regard to injury to health and amount produced, is oxides of nitrogen, which when inhaled form nitric and nitrous acids in the respiratory organs. Let us compare oxides of nitrogen with carbon monoxide, as far as toxicity is concerned. An atmosphere containing ·5 to 1·0 per cent of carbon monoxide is likely to be fatal to human beings in less than 30 minutes of exposure, whereas as little as ·07 per cent of oxides of nitrogen may cause fatalities in the same length of

time. This is an indication of the danger from the exhaust gas of diesel engines as compared with gasoline engines.

There is still another danger from these exhaust fumes which science is presently dealing with.

Dr. W. C. Hueper of the cancer control branch, national cancer institute of the United States public health service, addressed the first Canadian cancer conference which took place in June 1954, under the sponsorship of the National Cancer Institute of Canada. I quote from certain comments of his which I feel will be of interest to you:

Comments on respiratory aromatic hydrocarbons. At the present time, exposure to tar, pitch, asphalt, heavy fuel oils, lubricating and cutting oils, soot from domestic furnaces, incinerators, industrial power plants, oil refineries, steel plants, metal smelters, carbon black factories, oil dumps, and smudge pots, as well as to the effluents of diesel and gasoline engines represents the most widespread occupational environment contact with carcinogenic material.

Since our civilization and economical life has been built around the production and use of the basic carbonaceous substances and their derivatives, it does not seem feasible to attain complete protection against exposure to these carcinogenic chemicals with the preventive and prophylatic engineering and sanitary measures practical and economical at the present time.

There is, however, no doubt that a great deal remains to be done in this respect and that we are still rather far removed from having the maximal amount of possible reduction in exposure to the respiratory cancer producing hydrocarbons contained in the various carbonaceous substances mentioned.

I also have here an article entitled "Aromatic Hydrocarbons" which appeared in "Industrial Hygiene and Occupational Medicine", 11th volume, on pages 113 to 120, in February 1955. This article was written by Paul Kotin, M.D., Hans L. Falk, Ph.D., and Marilyn Thomas, B.A. I should like to deal with the comments and the summary and conclusions of this article. I might say that it is an article having to do with the testing of mice with aromatic hydrocarbon from diesel engine exhaust. It states:

Demonstration of carcinogenic hydrocarbons in the exhaust products of diesel engines and the successful production of skin tumours by the painting of diesel-engine exhaust extracts is self-explanatory in so far as satisfying the criteria for proof of experimental carcinogenicity. The emission of carcinogenic hydrocarbons into the atmosphere from diesel engines is of particular interest from a preventive medicine and public health point of view. The as yet unaccomplished task of relating proved experimental carcinogenic hydrocarbons to human lung cancer in no way militates against regarding their atmospheric presence as anything but a potential hazard. While it is apparent that diesel engine exhaust does not differ markedly from gasoline engine exhaust and incinerator soots, its possible control presents a brighter picture. The present inability to eliminate cacinogenic hydrocarbon emissions into the atmosphere from the latter two sources is not duplicated in the case of diesel-engine exhausts. Efficient and innocuous operation of a diesel engine from an atmospheric pollution viewpoint is possible without costly engine redesign or the development of catalytic or combustion completing devices for inclusion in the exhaust systems, a situation not applicable to incinerator or gasoline engine pollution sources.

The qualitative presence of chrysene and Compound Y in the exhaust products of a diesel engine was unanticipated in view of their absence from gasoline engine exhausts. The knowledge that these two compounds can be emitted into the atmosphere incidental to rubber tire wear and tear precludes the conclusion that the diesel engine is alone responsible for their presence.

As noted in our previous publications, the qualitative studies reported herein are in the process of repetition by means of injection in contrast to painting techniques, with quantitation of both individual components of the exhaust samples and combinations of emitted hydrocarbons serving as the basis for the experiments.

Here are the summary and conclusions:

The particulate phase of diesel-engine exhaust products has been analysed. Carcinogenic hydrocarbons have been demonstrated as being present among these products. Their production under varying conditions of engine operation has been determined.

Extracts of the particulate phase of the exhaust products have been successfully used in painting experiments to produce skin papillomas in C57 black mice and cancers in A strain mice. The demonstration of carcinogenic hydrocarbons in a source of atmospheric pollution and their successful use for the production of skin tumors in mice require their careful assessment relative to a possible role in the observed increasing frequency of human lung cancer. Two observations are worthy of special comment: first, the high yield of aromatic polycyclic hydrocarbons, including benzpyrene from the exhaust of an inefficiently operating diesel engine; second, the increase in these emissions as the load and engine speed are increased. This is in marked contrast to a gasoline engine where load and speed increase reduce the amount of aromatic polycyclic hydrocarbons, emitted into the air.

I have here a statement made in London by Sir Clement Price Thomas, a distinguished British surgeon who took part in the lung operation performed on King George VI in 1951. The press release states that Sir Thomas declared that smoking does not cause cancer of the lung:

He said the fact that lung cancer is predominantly a disease of the city dweller lends "very serious support" to the theory that atmospheric pollution plays a predominant role.

"But I myself do not believe that cigarette smoking or atmospheric pollution as such cause cancer of the lung. My own feeling is that they probably determine the site at which the patient gets his cancer."

The *Globe and Mail* of January 17, 1955, carries a statement attributed to the noted German specialist and Nobel medicine prize winner, Dr. Otto Warburg:

Warburg, who won the Nobel prize for medicine in 1931, said he has established that lack of oxygen respiration of the body cells is a major cause of chronic damage to normal cells and their conversion into cancerous cells.

Health—Poisonous Gases

Warburg admits that lack of oxygen can by no means be regarded as the sole cause, "but intermittent lack of oxygen will be a frequent cause as, for instance, pressure on the blood vessels frequently results in the intermittent lack of oxygen in the body."

He suggests the following preventive measures: Do not inhale cigaret smoke; ban diesel oil fumes from the streets; forbid curing of foodstuffs with certain cures; ban the dyeing of foodstuffs with aniline dyes; forbid the preservation of foodstuffs with antiseptic substances.

The London *Free Press* of April 30, 1955, carried a report of an interview with Dr. William Franks. Dr. Franks was being questioned by Jacqueline Moore and in reply to the question, "What has our environment got to do with lung cancer?" he said:

The world is full of cancer-producing agents, or carcinogens, as we call them. Tar on asphalt highways, for instance, Nickel-carbonyl. Chromates. Fuel oil. Radioactive compounds. Even sunshine. An idling automobile engine. Rubber tires. A faulty oil furnace. Commercial soot. Even printers' ink. All these things are known to contain substances which can cause cancer experimentally. Inject the dust of any one of these products into a mouse and you'll be liable to get a tumor. Do you know that extracts of dust from the air of eight large American cities have been injected into mice and they developed cancer? Why put all the blame on cigarettes? The association between lung cancer and smoking is real enough, but it's not the sole cause; it's probably only the straw that broke the camel's back. It's our whole noxious environment. And that's why I say we can do something about lung cancer because we can clean up the air we breathe. We are at the stage now where we must pay as much attention to the air as we pay to our water supply.

And finally, Mr. Speaker, I wish to quote extracts from an article which appeared in the September 21, 1955, edition of the Ottawa *Journal*. This article concerns a report prepared by Dr. A. H. Sellers, a medical statistician of the Ontario department of health who appeared before the Ontario legislature select committee on air pollution and smoke control. The article says in part:

"There is seen to be some correlation between the respiratory cancer mortality for males and the proportion of the population residing in urban areas", the report said. "This correlation is not shown for females."

Deaths from cancer of the trachea, lungs and bronchus; from cancer of all forms and from pneumonia and bronchitis were unexpectedly low in the rural areas and municipalities with populations under 15,000.

The report said studies made elsewhere have shown that mortality from lung cancer in England, Wales and Denmark is higher in urban areas than in rural.

In England it appeared to be related to the density of buildings rather than that of population. Atmospheric pollution was increasing in England while lung cancer was rising.

There is much more evidence I could give, Mr. Speaker, but I hesitate to take more time of the house when I believe all hon. members will agree that the problem is serious enough to deserve action. The question is, "what can we do?"

For several years now diesel engines have been used underground in mining operations of various kinds. It would not have been possible, had they not devised an economical method of rendering these diesel fumes practically harmless, to miners working underground in contact with these fumes. The equipment used is known to the trade as a "scrubber". Briefly, it is an arrangement whereby the exhaust fumes are passed through an aqueous solution of sodium sulphite, with a percentage of hydroquinone added. The cost of chemicals for operating this device is in the neighbourhood of 10 cents per working hour. The cost of the equipment is not unreasonable, and I understand it is presently available.

How many hon. members have followed behind a diesel truck or bus on the highway for any distance? I'll wager that you either passed it as soon as possible or slowed up to let it get ahead far enough that the fumes did not bother you. True diesel trucks have an upright exhaust pipe, but it is useless on the highway travelling at the ordinary speed. The vacuum behind the truck sucks the exhaust fumes down to highway level and these fumes are taken into newer model cars via the front air vents. You can see proof of that from the fact that the tarpaulins on these diesel trucks are blackened right from the front to the back and down the back of the truck. Most motorists realize that these air vents should be closed when overtaking a diesel truck or bus on the highway or in heavy traffic, but how many bother to do so, until the odour becomes noticeable.

That may be good enough for diesel fumes but remember you cannot smell carbon monoxide. It is not only motorists who are subjected to these fumes. Pedestrians on city streets where diesel buses are used get a substantial amount every time a bus passes them. These fumes are quite noticeable also to passengers in buses, especially at stops when doors are opened. Most passengers on diesel powered trains have noticed the fumes when the air conditioning is turned on in their sleeping quarters. Almost everyone has noticed the irritating qualities of diesel exhaust fumes, but what do we do about it? Grumble, but accept it as part of present-day living until public opinion is aroused to the point where governments are forced into action.

I consider we have sufficient proof to suggest that diesel fumes are a contributing factor in the cause of lung cancer. Do we

have any proof that carbon monoxide poisoning is not the cause of many heart conditions? The finger of suspicion could definitely be pointed in that direction at least.

It is only fair for me to state at this time that the government is doing a limited amount of work on air pollution in the Department of National Health and Welfare under the directorship of Dr. Morris Katz. I sincerely suggest that much more could be done and that the government could set a good example by looking into the possibility of installing "scrubbers" on all the diesel locomotives on the Canadian National Railways system.

The danger is obvious. Action should be taken without further delay, and I hope hon. members from both sides of the house will support this resolution.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to say a few words in moral support at least of the importance of the question raised by the hon. member for Brant-Haldimand (Mr. Charlton). It has often seemed to me to be remarkable that while a man can live for three weeks without food, for three days without water, and only three minutes without pure air, nevertheless I suppose we spend less time in passing laws and making regulations to make sure that the human species has his supply of pure air than we do on any other subject along a similar line. It therefore seems to me that the hon. member for Brant-Haldimand has raised an important question in connection with this matter of pure air. I certainly go along with him to the extent of waiting to hear what the minister has to say about what is being done now.

It seems to me that a few general observations will make clear the importance of the question he has raised. A good many of us are old enough to remember what the old city of Pittsburgh was like when the black, ugly smoke hung like a perpetual fog over that city. When we go back to that city now we find that the air is clearer than it is even in my home city of Vancouver and a good deal clearer than it is in Ottawa; I am not now talking about the vicinity of the parliament buildings, either. When you look at what has been done in Pittsburgh, it is quite clear that public action can make an improvement with regard to this all-important question.

When you go to the great city of Los Angeles, which I suppose is one of the richest cities on earth, and you find that people are literally being driven out of that city, are being forced to move away from it, for the simple reason that there is no pure air in the city—that their noses and their eyes smart because of this perpetual smog that hangs over the city—again you realize that we are dealing with an important question indeed.

That when you go over to London—the "big smoke" as they used to call it—and find that the old black fog and smog of earlier days has now given way to this poison variety, I think it will be realized that the hon. member for Brant-Haldimand certainly has raised an important question.

I do not know that I can go along with him altogether in absolving the cigarette from responsibility for the sharp increase in lung cancer. I happen to have been a director of the Canadian Cancer Society for many years. While I am, of course, just a layman, for a good many years I have listened to experts present increasingly ominous evidence which suggests that there is a real relationship between the increase in cigarette smoking and the increase in lung cancer. However, as a layman I must put in this qualification. I still have my fingers crossed with regard to this evidence. From my own observation women are smoking far more cigarettes than men are smoking and at least the increase among women smokers is sharper than the increase among the men smokers.

Mr. Charlton: Mr. Speaker, may I be permitted to interrupt for a moment to say to the hon. member that I did not exclude cigarettes. That was Dr. Franks. I was quoting from Dr. Franks. I said not to blame cigarettes entirely.

Mr. Philpott: I do not blame them entirely but, as I say, I still have my fingers crossed about the relative amount of blame to be attached to cigarettes and to the diesel engine. However, I am certainly quite willing to be shown. Far be it from me to ascribe more blame to cigarettes as opposed to diesel engine fumes or ordinary automobile fumes. All I am trying to point out is that, in my opinion, an extremely important question has been raised, and one about which we should know a great deal more than we now know. The more that governments can reasonably do to make sure that we get pure air, the better for all concerned. To that extent at least I certainly go along with my hon. friend. I think he cannot do too much to encourage even this good government to be an even better government by getting an improvement in this direction.

Mr. F. S. Zaplitny (Dauphin): In a general way, Mr. Speaker, I find myself in support of this resolution. However, as it is now drafted, it is not particularly clear in all respects. I am therefore going to propose

an amendment in a minute or two. In the resolution there are several words which leave the question rather vague as to whose responsibility it would be if the intent of the resolution were to be carried out. For example, the resolution states that:

—the government should consider the advisability of taking steps to further protect the health of the nation by requiring all trucks, tractors, buses, or any other diesel powered vehicles, including engines on railway lines, and all stationary type of engines, be equipped with a device to render harmless, poisonous gases emitted from the exhaust of such vehicles or engines.

The resolution does not make it clear who shall be responsible for this device. If it is the intent of the resolution that the owners of such vehicles themselves—the individual owners—shall be responsible, I would foresee a great deal of difficulty from two points of view. First of all, there would be difficulty with regard to the question of having any kind of a check or control on the device which is envisioned in this resolution and second, with having a standard device which would be effective if it were left to the individual owners of such vehicles.

Then in the second last line of the resolution we find these words: "to render harmless, poisonous gases emitted" and so on. The word "harmless" takes in a lot of territory. I would assume it to mean harmless to human beings but it could be read as harmless in a wider sense, namely harmless to vegetation and to life in general. I would imagine that the hon. member was taking the narrower meaning, namely harmless to the health of persons. However, in order to make the resolution more explicit—at least in my opinion—I am going to suggest an amendment. I do so particularly because the wording of the resolution includes the word "tractors". As the hon. member will be aware, in western Canada particularly a great number of farmers use diesel tractors. If they were to be harnessed with the responsibility of providing a device—each for his own tractor—which would render harmless poisonous gases, I am afraid we would be asking for something which it would be practically impossible to get. Therefore, in order to make the matter clearer, for my own satisfaction at least I should like to propose the following amendment with which I am sure the hon. member would be in agreement. It is in these words:

That the resolution be amended by inserting after the word "all" in the second line thereof the following words: "manufacturers of", and by substituting for the words "be equipped" in the fourth line thereof the words "to equip same".

Mr. Martin: Have you a copy of the amendment?

[Mr. Zaplitny.]

Mr. Zaplitny: Yes, I have a copy. Unfortunately I have just one copy because I jotted it down while the hon. member was speaking. But it is a very simple amendment. If it means that the government should favourably consider the intent of this resolution and make some provision for such a device to be used, then I think it should be at the manufacturers' level. It should be standard equipment which could be checked for its effectiveness and it would be provided at the time the vehicle is manufactured.

Obviously, we could not place the responsibility upon individual owners of trucks, buses and particularly tractors, because any kind of device that is sold to be attached by the owner may prove ineffective. The person involved may not even know where or how to obtain such a device.

Mr. Trainor: Would the hon. member permit a question?

Mr. Zaplitny: Yes.

Mr. Trainor: Would he also suggest that this device be provided without added cost to the purchaser?

Mr. Zaplitny: I would be most happy to provide for that if I were in a position to so provide. Unfortunately, we are operating under the so-called private enterprise system and this parliament no longer has any control over prices. I am afraid, therefore, it is beyond the jurisdiction of this parliament to so provide. I would hope that if such devices were used they could be provided at nominal cost, because certainly the manufacturers of that type of equipment would realize that by equipping their trucks, buses and so on with such devices the vehicles would be made safer and more attractive, and the manufacturers would be enhancing the sale of their product. In that sense, they might find it would be in their own interests to provide the device at a nominal cost. Assuming the government favourably considers the intent of the resolution, I would strongly suggest that implementation would have to be at the manufacturers' level rather than at the individual owner's level.

Mr. F. A. Enfield (York-Scarborough): I must say this discussion has been most enlightening and most interesting. There is one point we might perhaps be forgetting and that is that no matter how much we may all be concerned with the health of the people, the various governments in Canada still have their proper legislative spheres with regard to the health of the nation. In Ontario most matters of this kind fall within the jurisdiction of the highway traffic act, which is a piece of legislation enacted by the provincial government.

I gained the impression from the hon. member for Brant-Haldimand (Mr. Charlton), who introduced the resolution, that he was mainly concerned with the results of exhaust gases emitted by vehicles of all kinds on the public highways. Of course, there are some other types of vehicles that enter into it, but in his view the great danger came from the vast amount of gases emitted by motor vehicles. He mentioned particularly the number of vehicles in Los Angeles. A select committee appointed by the Ontario legislature, to which the hon. member also referred, has recently returned from Los Angeles and other parts of California after studying this question of the pollution of the air by smoke and other gases. This committee is, therefore, presently engaged in looking into some of the things this resolution contemplates.

Although we are having a pleasant discussion on this matter, and although it may be very pleasant for us to discuss it, I really do not believe the subject lies completely within the jurisdiction of this parliament. If we did vote for this resolution, certainly we would create a great furore if we tried to step in. I know that is true so far as Ontario is concerned. I do not feel we should fall into the trap of saying, "Well, anything that concerns the health of our people is our concern." That may be true, but you simply cannot take any activity in which Canadians might engage where their health is affected and, by relating it to the field of health, say you have jurisdiction to legislate.

Normally, one would go along with the idea because there are many borderline cases in which the jurisdiction is not clear, but certainly I would guarantee that were we to try to introduce a measure in this house in the terms of the resolution and say that all vehicles had to be equipped with a device to render harmless these gases, our position would be completely untenable from the legal point of view. I submit that view very respectfully for the consideration of the house.

The hon. member for Dauphin (Mr. Zaplitny), who moved the amendment, is I believe treading on particularly dangerous ground. He suggests that the type of device be standardized and you would therefore have to lay down exactly the type of accessory that would be attached to the vehicle. I feel that would certainly be well beyond any legislative field with which this house is concerned. While I am sympathetic to the view expressed by the member in putting this resolution before us, I certainly do not believe we have any jurisdiction to act upon it.

Mr. Ray Thomas (Wetaskiwin): At the outset, Mr. Speaker, I should like to congratulate the hon. member for Brant-Haldimand (Mr. Charlton) on the presentation he made this afternoon. It is quite apparent that he has put a tremendous amount of work into studying this problem. He came forward with a lot of information that was a complete surprise to me. I am not going to speak very long, but I should like to say that I agree with the resolution.

It is quite apparent from the statement made by the hon. member in introducing this subject that some serious consideration has to be given to this problem. If the facts are as dangerous as he sets forth, not only in his own view of the subject but the views of various scientists, then it is high time something was done. He did say, too, that the means of offsetting the dangers of these diesel fumes was available and was being used on the diesel engines in various mines. I believe he said the cost was something like 10 cents an hour, which is probably reasonable enough for any sort of industrial development. I know, however, I would hate to have to instal machinery that would cost me an extra 10 cents an hour in running my car.

While mentioning automobiles, I should like to tell the hon. member that I regret his resolution deals only with diesel engines. He did deal extensively with the dangers of gasoline engines during his remarks, but I regret that he did not include gasoline engines in the terms of the resolution. It is apparent that many public health authorities feel the fumes from gasoline engines are more dangerous than those from diesel or any other type of combustion engine.

I should also like to have seen him include not only vehicles but all types of industrial machinery, manufacturing plants, and so on. I would urge the government to take into consideration the advisability of helping to bring about a complete investigation into that realm of public health, since it is endangered by industrial fuel fumes of all kinds.

I can agree to some extent with the hon. member who spoke last that this is probably not primarily a federal matter; it does come under provincial jurisdiction. I can also agree that we would run into a great deal of difficulty in trying to legislate on the matter. However, I do think that the investigations branch of the department of health and welfare would do very well to insist on an immediate investigation into the harm that can be done by these industrial fumes, and probably make representations and recommendations to the provincial governments as to what action should be taken. I think the

provincial governments would go along with the suggestion. I do not think any of them would argue about it. However, like the hon. member who has just taken his seat, I would think they would kick a great deal if the federal government tried to take over this field of legislation.

As far as the amendment is concerned, I cannot see too much in it to quarrel with. Of course, it does leave the problem as to who is to be responsible for vehicles and engines that are now in operation. However, the lives of those are reasonably short. Probably it would not be too long until the danger from them would be overcome.

As I said, we agree with the resolution and support it. I see no objection whatsoever to the amendment that has been moved by the hon. member for Dauphin (Mr. Zaplitny.)

Mr. H. A. Hosking (Wellington South): I am very happy to have the opportunity to speak on this resolution for two reasons. The first is that I should like to correct some of the damage that might be done in the minds of people who might be thinking of coming to Canada. This is the one country that has the least smog and such troubles of any country in the world, and it would be a very bad thing if people were to think that it was an unhealthy country.

Let me come a little closer to home. I should like to suggest that we do not have the problem of fog and smog that they might have in the maritime provinces. Certainly the hon. member for Vancouver South (M. Philpott) may suggest that he has that problem in his part of the country. But in Wellington South we have the best air to be found anywhere in the world and very little fog; therefore, we have no problem whatsoever.

After listening to the very able lawyer from York-Scarborough, I would agree that it is a provincial matter. If it is a provincial matter, then we should not be wasting our time discussing it in this house.

Mr. G. K. Fraser (Peterborough): I wish to say only a few words. I support the resolution moved by the hon. member for Brant-Haldimand (Mr. Charlton). The hon. member for Vancouver South and the hon. member who preceded me brought out a point. Owing to the fact that on more than one occasion I have mentioned the government heating plant in Ottawa—and I shall speak on it again—I feel I should mention it now. The heating plant throws out more smog every day than all the diesel engines in the country. In the summer time when the windows are open, one can find the evidence of it on the tables in the restaurant, in the offices and elsewhere. One can take a towel or a handkerchief and by wiping his forehead get evidence of it. I have mentioned this on more than one occasion to the Minister of Public Works (Mr. Winters), but nothing has been done. They state they are experimenting with some smoke eliminators but it has not been eliminated yet. A few years ago when Mr. Alphonse Fournier was minister of public works the Daly building was throwing out clouds and clouds of smoke, as does the transport building on a cold morning. These public buildings should not do that. There are ways and means of getting rid of that smoke. Ottawa has a by-law against smoke of that kind, but the government certainly has not done anything about it.

Mr. Macdonnell: They are above by-laws.

Mr. Fraser (Peterborough): The hon. member for Greenwood says, "They are above by-laws". I often think they try to get away with murder at times.

Mr. Martin: The hon. member for Greenwood does not really mean that.

Mr. Fraser (Peterborough): I say to the Minister of National Health and Welfare that the hon. member for Greenwood always says what he means. He always tells the truth.

Mr. Macdonnell: We will not get into an argument on that.

Mr. Fraser (Peterborough): In regard to exhausts on tractors, I had an experience last fall that proves the hon. member for Brant-Haldimand is right. One of my men complained that every time he got into the tractor and used it all morning and all afternoon he had a headache. He said, "I do not know whether it is the jiggling up and down, or what it is". I climbed aboard the tractor myself and examined it. I ran the tractor and I said, "The trouble is in the exhaust; it has to be extended". There was a cabin on the tractor and I felt that the fumes were coming from the exhaust into the cabin. We extended the exhaust line away from the cabin entirely, and now there are no headaches. You can operate a tractor all day long without a headache. There is something in those fumes that certainly is not good for one's health. What can be done I do not know but I really believe something should be done.

Is the Minister of National Health and Welfare going to speak?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, I am sure the house is grateful to the hon. member for Brant-Haldimand for raising a matter that

admittedly is not within our competence constitutionally, but a matter that is of considerable interest and one which has occasioned concern to those persons in the country and elsewhere, such as the hon. gentleman himself, who have given it careful attention.

The amendment offered by the hon. member for Dauphin was intended, I am sure, to be helpful, but it indicates how incompetent constitutionally this parliament is to deal with this particular problem. To require that the manufacturer shall be obliged to place on the vehicles concerned the necessary equipment, of course, clearly places the matter under the caption of property and civil rights and clearly indicates that it is not a matter that we have power to deal with under the British North America Act.

Mr. Knowles: May I ask the minister a question? How is the federal government able to say something about the kind of wrapping that is to be used in packaging bacon?

Mr. Martin: That comes under the Food and Drugs Act. That act has the element of criminal law. The matter is constitutional, because it is under the guise of criminal law. That is not true in the particular resolution before us. You may under the guise of criminal law in a particular context seek to deal with a matter that has the aspects of property and civil rights, but you do it under the guise of criminal law. That is not the situation confronting us at the moment.

The resolution presented by my hon. friend is likewise outside the jurisdiction of the federal government, but I did not rise to oppose the resolution on that ground. My hon. friend and I have talked about the matter and I think he will agree that having raised it and having focussed it on our minds and brought it to the attention of the public at large he has rendered a service. I accord him that distinction at once, and I would add that he has rendered the country a service in presenting the motion in the way he has today.

The resolution serves to underline the increased attention now being given this matter by health authorities who are active in environmental health, not only at the federal but as well at the provincial level. I may say that the researches and experiments being carried on in the United States, to a lesser extent in Great Britain and I understand also in Belgium and France, and before the war in Germany, have produced results which are familiar to the officers of the Department of National Health and Welfare.

As a matter of fact, for many years the Department of National Health and Welfare and provincial and local authorities in Canada have carried out measures to safeguard human health by ensuring the safety and purity of drinking water, food and drugs and insecticides, and more particularly the air which we breathe has come under surveillance. The problem is one, not only of scientific interest but of the health of the people and it is well that from time to time when we spend so much time on other matters of a political character that we should accord an opportunity in this house for the discussion of matters as constructive as is this particular question.

Air pollution has been of course the inevitable accompaniment of industrialization and growth of our large cities. I may take as an example of what we have attempted in our department as the result of suggestions made by provincial governments and officials in the United States the researches that have been carried on in the Detroit-Windsor area. That area was chosen because that is the largest Canadian city on the Canadian side of the border close to a large United States community. This is an example of international co-operative effort to try to determine the extent of air pollution and the dire results that come from that kind of pollution.

In that area the Department of National Health and Welfare, in co-operation with the department of health of Ontario, the department of health of Detroit and the board of health of Windsor, have been carrying on for some time one of the most extensive investigations of the result of air pollution on human health which I think has ever been undertaken. That has been under way now for two years on both sides of the river involving a careful examination of family groups and individuals in an effort to ascertain the effect of air pollution conditions emanating particularly from the large industrial centre of Detroit and the large industrial centre of Canada's first city, the city of Windsor.

Some hon. Members: Oh, oh.

Mr. Martin: I appreciate that the house has recognized the high priority I have placed on the community which is mine. This pioneering effort and the results of this study undoubtedly will yield much information of value to health departments all over the world. An assessment of the study is now under way but it will be some time before all of the statistical data are finally determined. Undoubtedly it will play its part, as studies to which my hon. friend referred have played their part, in enabling him and others to formulate opinions on various aspects of this

problem. It may be that with the information which this extensive air pollution study in the Detroit-Windsor area will yield it may be possible to provide for considerable improvement and amelioration.

The subject matter of the resolution of course relates to one aspect only of the overall problem of air pollution. Our officers have carefully studied all the implications of the resolution and I am bound to say that there is no doubt in their judgment that the operation of diesel vehicles in certain situations, especially in mining operations, in tunnels, and in more or less confined spaces, does represent a potential danger to health. We have placed the skill of the people in our occupational health division at the service of provincial departments who admittedly accept this as their primary constitutional responsibility. However, that does not deter us in any way from seeking to assist them in a matter which is of concern.

The control of this hazard in such cases is usually achieved, I am told, by the installation of adequate ventilation facilities. In the stationary type of engine the exhaust gases must be removed by piping into proper exhaust gas ventilators or ducts for disposal of the fumes. I am further advised that the operation of such vehicles or engines in the open atmosphere may constitute a hazard to health in areas of dense traffic and population. It may be that when the hon. member for Wellington South (Mr. Hosking) was speaking of Guelph he was not speaking of an area of dense traffic and population.

This phase of the problem is now under intensive investigation, as my hon. friend has noted, in the area of Los Angeles, California, and a special study is under way by the automotive industry primarily in the city of Detroit. Waste products of internal combustion engines include unburned fuel or hydrocarbons, carbon monoxide, aldehydes, oxides of nitrogen, as well as carbon, soot, tarry material and other products, including water vapour. After listening to my dissertation—my hon. friend is smiling. I am sure that after listening to my dissertation he appreciates that he and I at least have one thing in common, that is the technical knowledge that each of us possesses in this important matter.

I am told that the theory has been postulated in the Los Angeles area that smog is formed to a major degree by the interaction of such hydrocarbon waste products with oxides of nitrogen in the presence of oxygen and sunlight. Such chemical interactions of pollutants may be related to eye irritation and other health effects that have been observed and to some of the crop damage sustained in the Los Angeles area. Perhaps it was this circumstance that brought my hon. friend to take an interest in this matter. In any event, that seems to be one of the implications involved. It is stated that, in the immediate vicinity of diesel engine exhaust, the concentrations of aldehydes and oxides of nitrogen may be sufficient to produce considerable eye, nose and throat irritation. I may say in this connection that Dr. Grove of our blindness control division has done considerable work in this particular field. I am sure the hon. gentleman would profit greatly if at his convenience some time he allowed me to arrange for him to discuss this matter with this outstanding public servant.

Various control methods have been suggested for reducing the toxicity of waste gases from internal combustion engines. These include systems for treating exhaust gases such as catalytic exhaust converters, after-burners, absorbers, condensers and filters.

Other proposals concern systems which modify engine operating conditions, such as manifold vacuum control, deceleration fuel cut-off, ignition timing control, recycling of exhaust gases and fuel injection. I simply add this rider, that objectionable visible smoke and fumes may be reduced greatly, my officers tell me, by improved maintenance practices. It may be that if greater care on the part of those who have the legal power to require enforcement were taken to see that this enforcement took place, many of the abuses to which my hon. friend has directed our attention could be avoided.

I can point out that there are now under investigation by the automobile industry such proposals as the change in the design of cylinder combustion chambers, carburetors and intake manifolds.

It has been shown in field and laboratory tests by the Los Angeles air pollution control authority that approximately seven per cent of all fuels used by automobiles is discharged unburned into the atmosphere, and this constitutes the greatest single source of hydrocarbon loss in the Los Angeles area. However, I am advised by my technical officers that no success has yet beeen achieved in securing the development of a control device suitable for controlling the emissions of exhaust gases from automobiles.

In the case of diesel engines, a limited amount of control has been achieved with the installation of exhaust gas absorbers which contain alkaline and other types of solutions for removal of aldehydes and oxides of nitrogen.

Several companies in the United States, including the Houdry Corporation and the Catalytic Combustion Corporation, are experimenting with catalytic systems for more complete combustion of exhaust gases and also with various types of after-burners. This work, however, is still, I am advised, in the development stage.

Much more study and research is needed before adequate means are available for the control of emissions from trucks, tractors, buses and other types of vehicles on highways and railways, apart from the abatement of smoke and visible exhaust fumes by proper maintenance practices.

I would tell my hon. friend and the house that the development of effective controls for exhaust gas waste products is contingent upon the successful completion of studies that are now in progress, some in this country but a great many in the United States. As I have already noted in respect of one aspect of the problem, we have undertaken in Canada in co-operation with the city of Detroit a most extensive study.

At the end of his speech the hon. gentleman mentioned that for a very small amount of money a device could be used which would avoid the dangers feared. I was not aware of that device and I asked my parliamentary assistant to contact the officers of our department. They advise me that, with regard to scrubbers for diesel engines, these scrubbers contain water to which are added alkalis, ferrous sulphate or other ingredients which remove the aldehydes and to a certain extent the oxides of nitrogen. Our officers tell us that these are not very effective for carbon monoxide, and that therefore adequate ventilation is still required. Their value has not been proven for railways or diesel transport trucks on highways, but there are three places where these particular devices are now being subjected to strict study and scrutiny, and it may be that we shall have more information on which to pass a final judgment.

Before taking my seat, I should like to mention that the hon. gentleman referred to cancer and the studies which I announced in this house, regarding one alleged form of cancer. Those studies are now under way, as a result of the financial contributions made by one company in addition to the grants that have been accorded by the federal government.

As the hon. gentleman mentioned, Dr. Warwick, the director of the institute, has made mention of some of these researches. I forget whether my hon. friend did go on to say, but Dr. Warwick could have gone on to say, that, as a result of funds which this parliament had voted, researches are now under way in at least two different universities in Canada in the matter of analysing the possible potential relation between some of the factors of causation of cancer mentioned by my hon. friend. In any event, I hope I have indicated to my hon. friend that these matters are the subject of research by those who are qualified to engage in this kind of examination.

My hon. friend may well feel he has served a useful purpose in bringing this matter to the attention of the public. He may be assured that, to the extent that this is a matter within our competence, it will continue to have our sustained interest and, to the extent that we can assist the provincial governments in the prosecution of this matter, this will be done. With that in view, I am sure my hon. friend would agree that this would possibly be the appropriate moment to withdraw his motion.

Mr. Charlton: I should like to take the opportunity, as there is an amendment to the resolution, to say a very few words. First I should like to point out to the hon. member for York-Scarborough (Mr. Enfield) that at the outset of my speech I did say it would probably be unconstitutional and would more properly be taken up under provincial jurisdiction. I admitted that at the outset of my speech. I said that, if it did accomplish nothing else, it would bring it to the attention of the public and make them aware of the dangers facing us in the matter of pollution.

I rather think the hon. member for Wellington South (Mr. Hosking) will regret having stated that this matter was a waste of time this afternoon, after having heard the Minister of National Health and Welfare.

Mr. Martin: I do not think he said that.

Mr. Charlton: He said it was wasting the time of the house, and I think he will later regret that statement.

The hon. member for Wetaskiwin (Mr. Thomas) raised the question of combatting fumes from gasoline engines as well as diesel engines. The Minister of National Health and Welfare himself has answered that very well in stating that there is a solution now for diesel engines. It is being used in mines all over the country and is proving very satisfactory. I did not say that a very small amount of money was needed. I said they could be procured for a reasonable amount of money. The reason I did not bring in gasoline engines is, as I said before, because it would be most difficult. It has not

yet been proved that a contrivance or a mechanism of any kind can be put on automobiles with gasoline engines to render these fumes harmless. For this reason I did not include gasoline engines in the resolution. I did say, however, and I shall repeat it, that there is a device known as a scrubber. I think if the minister looks into the matter further he will find that a great deal of good can come from the use of scrubbers. They are obtainable for a reasonable price and it costs only about 10 cents per working hour for the chemicals to operate them. I feel that the matter should be investigated.

As I said at the conclusion of my speech, I think the dominion government could set a pattern in putting them on the diesel locomotives of the C.N.R. over which they have control. I do not wish to deal with it particularly but I would ask the hon. member for Dauphin (Mr. Zaplitny) what he would do with the existing diesel engines that are now in operation and which, as far as I can tell, may be in operation for another 15 or 20 years.

Mr. Deputy Speaker: Do I understand that the hon. member wishes to withdraw his resolution?

Mr. Charlton: Yes.

Mr. Deputy Speaker: Does the hon. member for Dauphin wish to withdraw the amendment?

Mr. Zaplitny: That would be quite satisfactory.

Mr. Deputy Speaker: Is it the pleasure of the house that the hon. member have leave to withdraw the amendment?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Does the house agree to the withdrawal of the resolution?

Some hon. Members: Agreed.

Motion withdrawn.

INCOME TAX ACT

PROPOSED AMENDMENT WITH RESPECT TO MEDICAL EXPENSES

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this house, the government should give consideration to the advisability of introducing legislation amending the Income Tax Act so as to remove therefrom the 3 per cent floor in relation to the deductibility of medical expenses for income tax purposes.

He said: Mr. Speaker, this motion makes a request, the subject matter of which is well known to hon. members of this house and is well known throughout the country. It asks that what is known as the 3 per cent floor in relation to the deductibility of medical expenses for income tax purposes be removed and that medical expenses be allowed deductibility right from the first dollar.

Last year when I moved a motion in terms identical with this one the parliamentary assistant to the Minister of Finance (Mr. Benidickson) was gracious enough to say some kind words about the fact that I had added some new arguments and some new material to my speech of the previous year. I am sorry to disappoint him but so far as this year is concerned it is not I who will be introducing the new material. I hope that the "something new" will come from the government side of the house.

I think it is time the government took this matter seriously. I think it is time the government realized the feeling of the Canadian people that this request is a just one. I think it is time the government took the action proposed in this motion and removed the 3 per cent floor.

Hon. members are aware that this matter has been discussed in the house for quite a number of years. It was discussed generally in the debate on the speech from the throne, in the budget debate, and so on, in the late forties and early fifties. In 1951 it was the subject of a motion which I presented to the house but it was defeated. Again in 1952 it was the subject of a motion in my name and on that occasion the motion carried. It was passed unanimously by the house and the house thereby called upon the government to consider the advisability of removing what was then the 4 per cent floor. The house, and I think I can say the country as a whole, was disappointed when the consideration which we can only assume was given by the government to this matter resulted in no action at that session of parliament.

The next year, 1953, I again brought in the motion. On that occasion only two speeches were made; mine and that of the then minister of finance, Mr. Abbott, who at the conclusion of his speech moved that the debate be adjourned so that there was no further discussion on the motion at that point. However, when Mr. Abbott brought down his budget of 1953—which, of course, we cannot but remember was in an election year—he at least took the action of reducing the 4 per cent floor to the present level of 3 per cent. Well, that was a step in the right direction which was appreciated. One remembers that when medical expense deductibility was first provided for in 1942 and 1943 the floor was at 5 per cent, so we are glad to note that the floor is gradually

being lowered, first from 5 to 4 per cent in 1944 and then in 1953 from 4 to 3 per cent.

But as one who feels it should be abolished altogether I did not allow the matter to rest on the basis of the action taken in 1953 but I again brought in the motion in 1954, asking at that time that the then 3 per cent floor be wiped out. That motion was again defeated. Last year I brought in the motion again, and again it was defeated. But last year the margin of defeat was not very great considering the tremendous superiority of the government strength in this house. The vote last year was only 86 to 60 against my motion.

Well, it is now before the house again. In the meantime hon. members have had an opportunity to think more about it and to sense the feelings of their constituents back home in relation to the subject and I hope on this occasion there will be a more favourable result than in the past few years.

I confess, Mr. Speaker, that I had dared to hope that other developments might make unnecessary a motion of this kind at this time. I shall refer very briefly to these other developments which I hoped might take place. We knew there was to be a meeting of the federal government with the provincial governments on health insurance and I dared to hope that the results of that meeting might be sufficiently far-reaching that individual medical expenses might be cut down to the point where a matter of this kind would not be of such importance as it has been in the past.

However, despite the fact that one welcomes the steps that have been taken in the right direction by the conference which met last week, it still remains clear that even if the proposals of the federal government are accepted by a sufficient number of provinces and come into effect, there still remains a great area of medical expenses, particularly doctors' bills and dental bills, as well as many other kinds of medical expenses, which will have to be met by individual Canadians. Therefore the problem of the impact of individual medical expenses, although it will be ameliorated slightly if the government's proposals with regard to hospitalization and other services come into effect, will still remain for the great bulk of our Canadian citizens. Hence I once again present this motion, Mr. Speaker, so the government might have this opportunity to show that it is really concerned for the health of the Canadian people, and might show that concern in this small way by permitting the deductibility of medical expenses right from the first dollar.

As hon. members are aware, the right to deduct one's medical expenses is surrounded by certain limitations. For example, there is an absolute ceiling as to the amount one can claim as a deduction. That ceiling is at the figure of $1,500 for a single taxpayer and $2,000 for a married taxpayer plus $500 for each dependent up to a limit of $2,000 for dependents. That is one of the limitations on the deduction of medical expenses. You cannot deduct them all. You can deduct them only up to a certain point. Another of the limitations is that only certain prescribed kinds of expense can be deducted. You can deduct what you pay to a hospital; you can deduct doctors' bills, dentists' bills, nurses' bills and so on. You can deduct the costs of a few drugs which have been put on the list, and certain other specified expenses.

The fact is, however, that there are a great many expenses which are really medical or which relate to illness but which you are not permitted to deduct. There is, of course, the question of spectacles and devices of that kind. Most drugs and medicines are still not on the list of expenses that you can deduct for income tax purposes. Then, of course, there is the whole problem of help in the home that may be required at the time of illness, and all sorts of other expenses with which one is faced when illness strikes.

The other day I drew to the attention of the house that strange case—something that seems to be most unfair—in which a taxpayer was denied the right to charge as a medical expense the sum of over $700 which he had had to pay for oxygen in order to keep alive his wife who was suffering from tuberculosis. The reason given by the income tax branch and accepted by the income tax appeal board for refusing to allow that expense was that it was not paid directly to a hospital or a medical institution as defined in the act.

I mention that matter in passing, expressing the hope that the situation will be corrected in the budget this year. I mention it also to indicate that there are many items which are not allowed as medical expenses. Therefore the words which appear in the income tax form, and which make it clear to the taxpayer that he cannot deduct all his medical expenses, are indeed quite correct.

Those are two of the limitations, namely the ceiling and the limited list of things that you can deduct. The third limitation is this 3 per cent floor which is the subject matter of my resolution. I have made it clear before, and I do so again, that I have no quarrel with the ceiling. The figures which set the ceiling are reasonably ample, it seems to me. However, I do have a quarrel with the limited nature of the list of items that can be charged as medical expenses. I feel that that list should be extended. At any rate, I have not confused the issue by putting

that question into my resolution. I have confined my resolution to the one question, namely that the 3 per cent floor should be abolished.

Even at the expense of repeating what has been said just about every time this matter has come before the house, let me take a moment to remind hon. members that when you set about to deduct medical expenses from your income tax, you first of all must strike a figure that is 3 per cent of your net income. For all practical purposes your net income is just about your total income; at least it is closer to your total income than it is to your taxable income. Net income is the gross income you receive less one or two specific deductions, such as pension fund deductions, deductions for trade union dues and so on. That figure to which you must apply the 3 per cent is the figure you have before you deduct the $1,000 or $2,000 statutory exemption, or whatever your exemption may be. Hence if you are a person with an income of $3,000 a year, the first $90 of your medical expenses are not allowed as deductible. If your medical expenses in a year are $75 or $80, you get no credit for them. If your medical expenses are $100, you get credit for $10, namely the amount over the $90 figure which represents the application of the 3 per cent floor.

I have repeated that again despite the fact that it is well known to all of us and to most people in this country. My reason for doing so is to make clear what it is that we are asking for. In the example I gave of a taxpayer with a $3,000 income and having $100 medical expenses in a year, we are asking that he should be allowed to deduct from his taxable income not just the $10 that he is allowed at the present time but the full $100 of those medical expenses.

As I have pointed out on six or eight occasions now, it is a fact that if one makes contributions to approved charities he is allowed to deduct those contributions from his taxable income; and although there is a ceiling, as there is with respect to medical expenses, still there is no floor. You are allowed to deduct charitable donations right from the first dollar. If a person is allowed to deduct charitable donations, which are voluntary, right from the first dollar, we feel strongly that the same privilege should be accorded to taxpayers with regard to medical expenses, which are certainly involuntary.

In the past I have given various examples, and I think perhaps I should give them again if for no other reason than to put the matter in terms of the income tax rates that apply for the present year. I take in the first place the example of a married taxpayer with no children, and having an income of $2,400 a year. That taxpayer's income tax, including his old age security tax, would amount to $60. If that person had medical expenses of $200 in a year his tax would be reduced to $40.80, or he would get a tax rebate or tax credit of $19.20. But if that same person, instead of having to spend $200 on medical expenses, were to give $200 to an approved charity, his tax would be reduced to $30. In other words his saving would be $30. It is that discrepancy, that difference, that we think is unfair. We think the person who is allowed $30 in tax rebate for giving away $200 to charity should be allowed the same amount if he has to spend that much on medical expenses.

I come to the example of a married couple having two children of family allowance age. Let us assume that their income is $3,600 a year. Under this year's rates their total income tax before any other adjustments would be $201. If this family had medical expenses of $300 in a year their income tax would be reduced to $168.36, leaving a tax saving of $32.64. But if that same family, instead of spending $300 involuntarily on medical expenses, were to give away $300 to approved charities their income tax would be reduced to $150, making a saving of $51. Putting the two side by side, their income tax saving for $300 given to charity is $51, but their income tax saving for $300 medical expenses is only $32.64. We think the two should be put on the same footing.

My next example is that of a married taxpayer having two children of family allowance age where the total income is $5,000 a year. Their income tax before any adjustment would be $453. If this family has medical expenses of $500 their income tax will be reduced to $386.50, representing a saving of $66.50. If this family gives the same amount, namely $500, to an approved charity, their tax is reduced to $358, so that the saving is $95. The tax saving for $500 of medical expenses is $66.50, but the tax saving for $500 given to charity is $95.

I move back again into the lower income brackets. I cite the case of a married taxpayer with two children of family allowance age trying to get by in this day and age on $2,400 a year. Their tax before any adjustments would be only $15 for 1956, according to the law as it now stands. If they have medical expenses of $100 their tax will be $10.80, representing a saving of $4.20. But if they give away $100—don't ask me how anybody earning $2,400 and supporting a wife and two children could give away $100—the entire $15 income tax would be wiped out.

There would be a saving of $15 that way, but there would be a saving of only $4.20 if the family has $100 of medical expenses.

Let me take just one more of these examples. As the parliamentary assistant to the Minister of Finance will probably notice, these are the same examples I used last year, except that I have worked them out in terms of the income tax rates that are now provided in the Income Tax Act. My last case, therefore, is that of a married taxpayer with two children of family allowance age where the income is $3,000 a year. The tax before any adjustment would be $105. If this family had $100 of medical expenses, their tax would be reduced to $103.50, a reduction of $1.50. But if the same family gave away $100 their tax would be reduced to $90, or a saving of $15.

I have given a great many figures in the last few minutes. Let me put these last two alongside each other. In that last example, the income tax saving for $100 of medical expenses is $1.50, but the income tax saving for $100 given to charity is $15 or ten times as much. We feel this year, as we felt last year, the year before that and the year before that back until we first started this campaign, that it is not fair to continue that discrepancy. We feel that the same treatment should be accorded to those two types of expenses or contributions.

There have been times when it has been suggested to me that this would be a great boon to the wealthy, more of a boon to the wealthy than it would be to those in the lower brackets. The fact of the matter is that our concern is for the little people, for those who just do not get into this bracket because their expenses are not over the 3 per cent level. Actually, if you want to talk about the very wealthy, the ceiling which the government has imposed would prevent any great bonanza coming to them as a result of the removal of the floor. For example, if a person had an income of $20,000, at the present time he would get only the portion of those expenses in excess of $600, which is 3 per cent of the $20,000, and even that would be limited by the ceiling. If such a person were married and had $3,000 of medical expenses he would not be allowed the whole $3,000. He would not even get the $2,400 which is over the $600 floor. He would have only $2,000 allowed as deductible because of the ceiling which is there. That is one of the reasons I do not object to the ceiling, because if you take away the floor you find in the example I have just given that $2,000 is the maximum the wealthy person can claim. In an outlandish case such as that—or go higher if you will, to persons with incomes up to $50,000 or $100,000—in most cases you are not going to get any tax relief from the removal of the floor, because of the ceiling. Indeed, the government raised the ceiling a bit in 1952, the year in which we thought we had won the battle for the abolition of what was then the 4 per cent floor.

Now, Mr. Speaker, as hon. members are aware I am rather full of this subject, having spoken on it so often. But as I indicated in my opening remarks the new thing that is needed, the something new that should be added, is not additional argument from this side of the house. The something new that should be added is an awareness on the part of the government that the time has come for favourable action on this matter. I am grateful for the support we have received in the past from members of the opposition in whatever part of the house they sit. They have supported this matter every time I have raised it. I am grateful for the unanimous support given to my motion in 1952. I am grateful also for the support that was given by a few Liberals, even in years when the measure was not looked upon with too much favour from the government side of the house.

I recall the supporting remarks of the hon. member for Rosedale (Mr. Henry) and the hon. member for Portneuf (Mr. Gauthier). I recall also the approval of the hon. member for Charlevoix (Mr. Maltais). I recall the interest in this matter of the hon. member for Skeena (Mr. Applewhaite) and his implied support of the proposal. I remember, too, that long ago there were requests for the extension of this principle by the hon. member for Ottawa West (Mr. McIlraith) and even by the present Minister of National Revenue (Mr. McCann) when he was the more humble private member for Renfrew South. I am grateful also for the support that has been given in the past by one who is no longer with us, one who has gone to his reward in the other place, the former member for Spadina.

It is perhaps unfair to single out only half a dozen Liberals when there have been 60 or more on the opposition side of the house who have stood up for this proposition every time it has been raised. And yet perhaps it is significant that there were six or eight on the other side of the house who felt that a few words might be spoken in favour of this principle of extending the coverage of income deductibility, no matter what stand the government was taking.

As I have said, Mr. Speaker, I want to see the list of allowable expenses extended.

I am also interested in a resolution on the order paper in the name of an hon. member from my own city. I may not agree with all its details, but I am interested in the proposal that premiums and taxes paid for hospitalization plans and health insurance schemes might be included as well. There is a whole range of things that might be discussed, but it seems to me the most important thing is to get rid of this floor and permit taxpayers to deduct their medical expenses right from the first dollar.

There is wide public interest in this. No one contributed more to the widening of that interest than did the former minister of finance in 1952 by taking a negative view on the matter, after the decision of the house that the government should consider the advisability of removing the floor. I thank him for the attention he drew to it in that way. I call on the present government and the present Minister of Finance (Mr. Harris) to look on this matter favourably, to consider the justice of our appeal and to take action at this session to remove this floor. Toward that end I hope the house will support the motion which I now have the honour to present.

Mr. Donald M. Fleming (Eglinton): Those who were in the house in 1952 will well recall what happened when a similar motion dealing with a 4 per cent figure was introduced by the hon. member who has introduced this motion today. Everyone in the house appeared to give approval to the resolution at that time and undoubtedly all, with the exception apparently of those who sat on the treasury benches, expected the government to give some regard or effect to the resolution on which the house had so strongly declared itself. But we had assumed that there was more responsible government in the chamber than proved to be the fact; for the Minister of Finance did not choose to be bound by the firm and unanimous declaration of the opinion of the house.

However, before the last election the Minister of Finance did bring in a budget proposal which, so far as it went, did receive the unanimous approval of the house, contemplating a reduction from 4 per cent to 3 per cent of that portion of taxable income which must be first subtracted before medical expenses can be deducted in determining taxable income.

The Conservatives in the house, Mr. Speaker, have supported this resolution in the past and will, I am sure, continue to do so. It seems to me there is every reason why, in looking for means of introducing more equity into our taxation laws, as well as seeking needed reductions in taxation, this particular proposal should be favoured as one entitled to high priority.

It is not to be overlooked that the cost of hospitalization and medical expense is rising substantially all the time. On some other occasion we shall no doubt hear a good deal about the very heavy burden that is borne by the Canadian people in respect of their outlays on hospital, medical and nursing expenditures. It seems to me that this type of expenditure is a very proper one to be favoured from the point of view of deductions that ought to be allowed to taxpayers in calculating their taxable income.

Sir, I do not propose to discuss this matter at length. There is a question of principle involved here. I suppose we can expect to hear from the government the familiar refrain that it is estimated, based upon statistical reviews, that an average of 4 per cent of the income of the people goes to pay medical, hospital and nursing expenses, and therefore it is fair enough that that percentage should be subtracted, or a similar proportion should be subtracted, in reckoning what should be allowed by way of deduction on this account from income.

Well, sir, these statistics can be used to deal with average expenditure, but in my view average expenditure is not sufficient to justify any further withholding by the government of this benefit from the taxpayers. There are very good reasons why we should go the whole way and eliminate the 3 per cent which is now subtracted. The burden is never equally distributed; the outlays on medical and hospital expenses fall disproportionately heavily on those of modest income, but it affects all and here is a good place to bring a general benefit to bear for all taxpayers.

Hon. members who have followed debates on this subject in the past will not be surprised if I advert to a subject on which I have addressed the house on many occasions, namely the altogether too narrow definition that is placed by the act and by the government in its administration of the act on medical expenses. We have had many debates on this subject. Attention has been drawn repeatedly to the fact that some extraordinary anomalies exist under the present act, and those anomalies have not been improved by the way in which the act has been administered by the government.

Why some appliances prescribed, for example, by physicians should be regarded as proper medical expenses and others disallowed is something I have never been able to justify on any basis of logic. We have

the familiar example of spectacles. They are not permitted to be included in the medical expenses of the taxpayer. Why they should not I have never been able to understand. The act permits certain forms of hearing aids to be included in the category, but aids to vision are rejected. One could go down through the category of appliances as defined in the act or in the light of the interpretations put upon the provisions of the act in the administration thereof.

Then there is the matter of drugs. This is a subject again that has engaged the attention of the house frequently, and where some remedial legislation is badly needed. The act has been amended on a couple of occasions in recent years specifically to permit about four drugs to be treated as deductible, in other words entitled to be included in the list of medical expenses. But why some should be included and others rejected again defies any sense of logic, and in many respects a sense of fair play. Sir, if drugs are prescribed by physicians as required for the health of a patient, why should they not be regarded as medical expenses?

Then we have a further anomaly, sir, in the case of physicians doing their own dispensing. Apart from four named drugs in the act, no status whatever is given to expenditures on drugs, even though prescribed by physicians, so far as the definition of medical expenses is concerned. We know that physicians in the cities and towns normally do not do their own dispensing. The country physician almost of necessity must do his own dispensing, and when he includes drugs or medicines in an all-inclusive account to the patient those items are allowed by the government. This anomaly has been known to exist for years, but the government has taken no remedial action as yet.

I am glad this motion offers an opportunity to reaffirm the support which has been given on previous occasions to the purport and principle of this resolution, and to point out that anomalies continue to exist and that the government has failed repeatedly to bring forward proposals at budget time designed to cope with these existing anomalies. Surely the time has come when this matter can no longer escape the attention of the government.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I find myself in agreement with the hon. member for Winnipeg North Centre (Mr. Knowles). As the hon. member for Eglinton (Mr. Fleming) has said, many of us have expressed our approval in the past. As has been stated this afternoon, the resolution moved by the hon. member has had our support on other occasions, and in fact on one occasion it had the support of the whole house.

I never could understand why the government has not taken more action than they have on this resolution. It has met with unusual unanimity, because we all agree that the fear of medical expenses is one of the greatest fears that a family man and his wife can have; especially those, such as the hon. member for Winnipeg North Centre mentioned, who find difficulty in getting along on the wages they are earning.

That has been recognized no doubt by the whole house, in fact even by the government and the cabinet which refused to accept the unanimous recommendation of the house. Recently this government has been discussing health insurance policies with the provinces. That matter has been recognized by the party supporting the government for well over a quarter of a century because they have played with the idea at every election they have held for almost a third of a century.

It seems to me that principle has not been followed in practice. In fact one might take advantage of this opportunity to suggest to the government that before the budget is brought down they give consideration to going beyond this 3 per cent exemption and allowing contributions made by those who assist in the payment of medical expenses incurred by patients who cannot afford to pay them. I know of some hon. members who have been in near financial embarrassment for many years because they have taken care of members of their families over long periods of illness.

Those who contribute to the building of a hospital or who make substantial gifts to a hospital are allowed to deduct those contributions from income for income tax purposes under the present regulations. On the other hand, if a person contributes toward the care of a patient in hospital I think he should be entitled to a similar exemption.

I am not going to burden the house by repeating what has been said in other years or what has been said so well by the hon. member for Winnipeg North Centre, except to say that it seems to me the government somewhat accepted the principle when they reduced the floor from 4 per cent to 3 per cent just before the last election. I would certainly be sorry to see this government remain in power long enough for them to have a sufficient number of elections to get the other 3 per cent off, because it would appear that it would take quite a long time even if they accepted the principle since

apparently they take off only 1 per cent at a time. I do not know why they did not take off the 3 per cent because, as has been mentioned by the mover of the resolution, it means that the man with a small income does not receive much benefit while the man with a larger income, who usually does not find medical expenses too great a burden, is allowed to deduct what he pays out for medical expenses, what he pays to the hospital or for other charitable services.

I would urge the government to take cognizance of the motion before the house. Before the budget is brought down I hope the government and the cabinet will consider the approval that has been given to this matter, especially the complete unanimity which was shown in 1952. I expect that it will all disappear if we should have an election in 1956, or at least a portion of it; but even if we do not have an election until 1957 I would urge the government to adopt the principle and not wait to remove 1 per cent at election time, but remove the 3 per cent even a year before the election.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, I am completely in support of the resolution. It must be borne in mind that what is paid out for medical expenses is a dead loss. Usually a person faced with the payment of medical expenses also has his earning capacity decreased to a considerable degree. Frequently the total cost of a sickness cannot appear in any record which a person might present to show that he has been faced with medical expenses. For example, different kinds of food may have to be provided in nursing an individual back to health. There are many other ways in which the account presented by a doctor or hospital would not show the total cost. I think the time has come for us to give people with ordinary incomes at least something like a break. Let us just permit them to deduct all medical expenses.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, as the sponsor of this resolution has said, we have had a discussion on this matter during each of the past several years. The records of *Hansard* are available to indicate the general principles which the government has advanced in debating this question from year to year.

I would remind hon. members that this particular exemption is of rather short-term duration in our income tax law. It was introduced as an exception to the general principles in 1942, and I think for a good reason. At that time, because of the war, the tax rates were at a very high level indeed. I could illustrate by simply pointing out that in the case of a married man without dependents with an income of $2,500, the tax and compulsory savings amounted to $651. At that time it was recognized, fortunately that a taxpayer who had extraordinarily high medical expenses would be in a very difficult position indeed, in view of the portion of his income that was required to finance the conflict in which we were then engaged. In the case of a married man without dependents with an income of $3,000, the tax and compulsory savings taken from him for the requirements of the government in 1942 amounted to $884.

In consequence there was a departure from the basic principle that there is one over-all personal exemption applying to the normal cost of living of all citizens. I may say that under our Canadian taxation provisions, that basic personal allowance and deduction from gross income before taxes are imposed is a larger sum than in either the United States or Great Britain, or indeed in any comparable country that we could consider in connection witht modern tax provisions.

I should like to point out that in recent years there has been a very substantial decrease in the general income tax that applies to people in the income groups I have already mentioned. As I have said, we have had debates on this subject in each of the past several years. I have indicated in debates in former years that the actual cost to the treasury of acceding to this form of tax relief would be in the neighbourhood of $50 million or $60 million. When tax reductions are possible, one must consider what form of tax relief would provide the widest possible benefit and would have the best possible economic results.

We had a very substantial tax reduction in 1953 as compared with 1952. I want to point out that an individual, married and with two dependents, respecting 1952 income was paying an income tax of $88. That was reduced in 1953, and it was reduced again last year. The same is true of the other person I used as an illustration, namely a married man earning $3,000, who in 1952 was paying a tax of $175 and in 1956 will pay a tax of $130. I point out to hon. members that this means broadly a reduction of 25 per cent in those years. That tax reduction applies to all taxpayers, whether or not they have had the particular misfortune of having medical bills to pay.

I also say that this form of utilization of tax deduction possibilities has considerable merit, because a great proportion of the working force of this country are not in the income tax paying group at all. To use

approximate figures, we could say that the working force of this country is probably of the size of about five and a half million people. Some two million in that group do not at the present time have to pay income tax, because of the general exemptions that are provided in our law. It would be obvious to members that the form of tax relief suggested by the sponsor of this motion would apply only to persons who are in the smaller income taxpaying group.

The hon. member for Winnipeg North Centre said he hoped there would be some new note in the annual debate on this subject. It must be obvious to him that one of the outstanding new notes that could be referred to would be the very important events of last week when the federal government, in the health field, made propositions to the provinces for sharing costs of hospital and diagnostic health services to a very impressive, and indeed gigantic, extent. The implications of that offer, if the majority of the provinces see fit to accept it, are at the present time, in dollar value, probably of the order of four or five times what is involved in this particular form of approach to the health question.

I would point out in connection with my other remarks that this form of federal government participation in the health field would be of general application, contrary to a scheme such as is proposed, which would assist with respect to health problems only those citizens who are in the income taxpaying group.

I would also remind hon. members, as we are inclined to forget, that actual individual tax rates have dropped radically from 1942, when I indicated the very great proportion of the income of one in the lower brackets—or in any bracket—that was required for governmental purposes. Indeed, I pointed out that the reduction in the tax rate for a person earning $3,000 is from $884 in 1942 to $130 in 1956.

In connection with the opportunities for tax deductions in this particular field for health expenses, the law has been very radically liberalized since 1942. In 1942 the ceiling of the total medical expenses that would be considered for exemption for tax purposes was only a fraction of what is provided for at the present time. In most of the years since 1945 there have been added other provisions that are greatly to the advantage of the taxpayer. The types of drugs, types of appliances and the calendar period for consideration have all been changed very greatly to the advantage of the taxpayer.

These details have all been set out in past debates but I would not want hon. members to overlook them. In addition there have been two changes in the rate of percentage for medical expense deduction that is considered as the norm, or the rate which must be exceeded if one is to get consideration for tax relief in this field. Originally it was 5 per cent. It was reduced in 1944 to 4 per cent. The hon. members who have spoken thus far have overlooked what was announced as the reason for that reduction from 5 per cent to 4 per cent.

The main reason for that reduction was a recognition of the fact, as was pointed out at that time, that the administrative cost of examining the number of small drug accounts that might be submitted by a taxpayer would be exceedingly expensive to the crown in the matter of administration. So in a general way the rate was reduced from 4 per cent to 3 per cent, taking that into account. Certain exceptionally expensive drugs were in themselves given qualification for exemption under the income tax statute as well.

Some reference has been made to a recent appeal under the Income Tax Act with respect to the expense of purchasing oxygen. As a matter of fact, although every year individuals, members of parliament, sometimes officers of the Department of National Health and Welfare and other people prior to the consideration of the annual budget present recommendations to the finance minister concerning things which they think should be subject to consideration in this section of the Income Tax Act. It happens the matter of oxygen is not one of those items which has been directed particularly to the attention of the department for tax consideration.

This section of the Income Tax Act receives very careful attention each year from the Minister of Finance (Mr. Harris) and all the officials of his department as well as the Department of National Revenue. All the recommendations that have been received in the preceding year from hon. members of this house and from outside the house are most carefully studied. It is a practice to seek the advice of the Department of National Health and Welfare in regard to the relative costliness, the apparent worth and necessity, and some other factors relating to a particular drug. I assure hon. members, several of whom have made some representation urging the addition of certain specific drugs beyond those which have been considered for exemption, that this aspect will be reviewed again in the weeks that are to ensue prior to the bringing down of the new budget.

I should like to point out that under present tax law a person married, without dependents, with an income of $3,000 whose medical expenses would be totally exempt under this

motion, would receive a tax benefit of $13.50. I have no doubt whatever that most of the people across the country who read the newspapers and learn that this parliament is considering the question of deducting all medical expenses without any limitations such as we now have, at the 3 per cent level, will think that what is being considered is a deduction of the medical expenses from the amount of the tax cheque which they would otherwise be obliged to pay.

As I have pointed out, if the income of a married person were $3,000 the benefit under this resolution would be $13.50. This benefit would apply in a rather scattered form only to taxpayers who had to meet a particular medical situation. It would not have the merit of universality. In connection with the figure of $13.50 I would also like to point out that the tax reductions announced by the finance minister last year took no account of the previous tax reductions and provided tax relief for the person, married without dependents, earning $3,000 a year—comparing 1956 with 1954—to the extent of $20, compared with $13.50. That tax relief was available to everybody, and was available without the expense to the crown of examining every particular item of medical expense in the vouchers that would naturally end up with the examining officials in tremendous volume.

I think hon. members are fully aware, Mr. Speaker, of the basic principle that guides anyone when considering most carefully introducing into the Income Tax Act a very special feature that would exempt each and every form of medical expenditure. I mentioned that alternatively we have always placed general reliance on the basic personal exemption. What is allowed in this particular exemption is something that is considered unusual.

If every dollar of medical expense, dental expense and expenditures for drugs is to be allowed to the fullest extent as an exemption from gross income, and if those expenditures are of a normal nature and not of an unusual or hardship nature, I would ask hon. members what is the difference between allowing those and the suggestion that everyone should be entitled to put forward in detail the personal expenditure for clothes to keep one's family warm, the analogous expenditures on clothing or milk, food and the other necessities which constitute the normal expenditures of the average taxpayer.

In addition to that, although I deny that there is any failure to recognize in the health field the other difficulties which are encountered by taxpayers, I would point out there are also other hazards which sometimes provide unusual hardship. I could mention losses by taxpayers from fires, floods, tornadoes and things of that kind. Contrary to what is done in the health field, there is no income tax recognition of these forms of personal catastrophe and unusual personal expense.

I repeat that we generally consider that it is a simplification and it is orderly to concentrate for tax purposes on a basic exemption. I repeat that in this country that basic exemption is more generous to the taxpayer than is available in almost any country with which I am familiar, and certainly in any that could be compared with Canada in its economic life.

As has been said in past years, apart from the decision the house may take on this motion this particular question is bound to be considered by all those who are giving attention to the budget in the ensuing weeks. Hon. members have made reference to a development in 1952 in this house when there was a concentration of attention on the word "consideration" contained in a similar resolution and when the former parliamentary assistant to the Minister of Finance said that as it was customary to consider each and every representation from all over the country prior to the presentation of the budget, he felt it was difficult to say that a House of Commons resolution stating that the house would like consideration to be given to a matter of this kind would be turned down by a majority vote.

Hon. members know it was made perfectly clear at that time that consideration would be given to the problem. Consideration was given to it. The then minister of finance and the parliamentary assistant, in subsequent speeches in this house, made that perfectly clear. But at the time the resolution was being considered those sponsoring it were emphasizing the word "consider" and the word "favourably" was not in the resolution. I remind hon. members that on many occasions subsequently opposition members have made reference to that result.

Despite the fact that consideration had been given as the minister assured the house it would be given, just because it was not consideration that resulted in a decision which the sponsor hoped for, I recall that the leader of the sponsor's party felt that he was justified in moving a vote of want of confidence in the government. As I say, on many occasions this matter has been referred to.

There is a difficulty in which hon. members are placed at the moment, particularly those who support the government. This resolution in its broad terms and representations concerns individual items of drugs and other liberalizations of the section which will be receiving attention. If hon. members were

to review the history of resolutions of this kind I think they will agree with me in this statement. I have no doubt that if the final result as announced in the budget was not completely to their satisfaction, they would have a great deal to say about the lack of consideration shown by the government, and what they might even think was some form of indifference to or lack of consideration for this house. I point out that fact to all hon. members.

I think it has been traditional that British parliaments do not consider that collectively they are in a position to move resolutions that affect the balance of ways and means. If hon. members, in advancing a motion of this kind, feel that it is obligatory for the government to accept the resolution fully, may I say this. I have indicated that it involves a revenue loss of $50 million. If this form of tax relief is given in this field, hon. members will realize the simplicity of the statement that it might deny relief in another field. Last year and in previous years I indicated what I thought were better forms of tax relief, provided on a better basis.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: If the hon. member for Winnipeg North Centre (Mr. Knowles) speaks now he will close the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall make my remarks as brief as I can, so that if your decision on the yeas and the nays is not in the affirmative and a vote must be taken, we shall not have to take up too much of the supper hour.

The parliamentary assistant to the Minister of Finance has once again given us a review of the government's position with respect to this matter, and he has tried once again to set out the government's defence for not yet having removed the floor with regard to medical expenses. He started off by reminding us that this form of tax relief was first introduced in 1942, becoming fully effective in 1943, because of the abnormally high taxes which were in effect at that time. He makes a great deal out of the fact that income taxes have gone down considerably since then. He is correct in that statement. However, what he overlooks is the fact that medical expenses have gone up considerably since that time. A new situation has arisen with regard to medical expenses. Although it may have been a novelty to introduce this kind of tax relief in 1942 or 1943, we feel that it is a necessity today.

The parliamentary assistant makes a great deal out of the use of the word "normal" and contends that there are certain medical expenses that should be regarded as normal, even as food and clothing, and therefore should not be given special consideration in the matter of income tax deductibility. Mr. Speaker, it is precisely because not one of us would contend that every last article that some people might regard as medical expense—every last aspirin tablet, if you like—should be included; it is precisely for that reason that we feel that those medical expenses which the department does allow should be accorded deductibility right from the very first dollar. That is one way of dealing with the problem. If you cannot cover every last kind of expense, surely the kinds that are allowable should be allowed right from the first dollar.

I am interested in the extent to which the parliamentary assistant has raised the figure of what this proposal would cost. For the last year or two it has been said it would cost $35 million to $40 million to remove this floor. Today he said it would cost $50 million or $60 million. Of course prices are going up and medical costs are going up, and it may be that it would cost a bit more.

Mr. Benidickson: And wages are going up.

Mr. Knowles: But the parliamentary assistant also, having given those figures, goes on to say that if that much money is to be given to the Canadian people by way of tax relief, the government is obliged to consider what is the best way in which to give that relief.

Well, the fact of the matter is that $30 million or $40 million or $50 million given as general tax relief spread over the whole population is such a small amount per week to the average taxpayer, such a few cents, it is not worth nearly as much as it would be to have the knowledge that in the case of medical expenses there would be more substantial relief. I submit that those who would not get 3 or 4 cents a week off their general tax because the money was not used for a general reduction would feel it was worth more to have the knowledge that in the event of high medical expenses the full amount of those expenses could be deducted for income tax purposes.

The parliamentary assistant to the minister gave the example of an income taxpayer at the $3,000 level for whom taxes had been reduced, if I took down his figures correctly, by $45 from 1952 to 1956. The parliamentary assistant gave $175 as the income tax in 1952 and $130 as the income tax in 1956, or a reduction of $45. This only underlines my point. At the $3,000 level that is a total tax reduction in four years of only 86 cents per

week, or a little over 20 cents per week per year. At the lower levels the reduction is even less than that.

The parliamentary assistant makes a great deal out of the fact that there are two million people in the working force who do not pay income taxes and therefore would not get any relief from the proposal I make. I do not know why he brings up the fact that in this country, which the Liberals boast is rolling in high gear, there are two million people in the working force whose incomes are so low they do not pay income taxes. This means that if they are single they are earning less than $1,000; if they are married without children they are earning less than $2,000; if they are married and have two children, they are earning less than $2,300 a year. I suggest it is a blot on the government of the day that it should allow, in this so-called fast rolling economy, so many people to be living on incomes as low as that.

The parliamentary assistant raised again the question of the way in which the resolution is worded, and the way in which a resolution such as this has to be treated by the government. He knows as well as anyone that a private member cannot word a resolution in such a way as to require the expenditure of money. All a private member can do is present a resolution that states the advisability of considering such a proposal. Most of us still feel that if the house as a whole approves of a resolution in those terms there is at least a moral obligation on the government to consider the matter, and to consider what very clearly must have been the views of the members when they passed such a resolution. I think it is well that once again we have an opportunity for the government to ascertain how members generally feel on this question.

The parliamentary assistant said there was one new item in the picture this year. I have already referred to it. It is the proposal made last week by the federal government at the conference with the provinces on the question of health insurance. As I have already indicated, I welcome the steps that have been taken. Naturally I do not believe the government's proposal goes far enough in this important field, but it goes a little farther than I thought this slow government might move by 1956.

The fact of the matter is that if the federal government's proposals come into effect in full there is still left for the individual Canadian the whole range of his doctor's and dentist's bills, a whole gamut of medical expenses that he will still have to pay on an individual basis. Helpful though this proposed and welcome hospitalization scheme will be, there is still a wide range of medical expenses that will fall upon the individual, which still makes necessary the kind of consideration in respect of income tax that this resolution calls upon the government to give.

Therefore, Mr. Speaker, I urge the house to support this resolution asking for the removal of the 3 per cent floor with regard to the deductibility of medical expenses for income tax purposes.

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

YEAS

Messrs:

Argue	Macdonnell
Barnett	MacInnis
Bell	MacLean
Bennett, Miss	McBain
Blackmore	McCullough (Moose Mountain)
Blair	McLeod
Brooks	Mitchell (London)
Bryce	Monteith
Bryson	Montgomery
Cameron (Nanaimo)	Murphy (Lambton West)
Campbell	Nesbitt
Cardiff	Nicholson
Castleden	Nowlan
Charlton	Patterson
Churchill	Pearkes
Dinsdale	Perron
Ellis	Poulin
Fleming	Quelch
Fraser (Peterborough)	Regier
Gagnon	Rowe
Girard	Smith (Battle River-Camrose)
Green	Stanton
Hahn	Stewart (Winnipeg North)
Hansell	Thatcher
Harkness	Thomas
Herridge	Trainor
Holowach	Tustin
Howe (Wellington-Huron)	White (Hastings-Frontenac)
Johnson (Kindersley)	White (Middlesex East)
Johnston (Bow River)	Yuill
Jones	Zaplitny—66.
Knight	
Knowles	
Leboe	
Lennard	

NAYS

Messrs:

Anderson	Carter
Applewhaite	Cavers
Ashbourne	Denis
Balcom	Deschatelets
Batten	Dickey
Benidickson	Dumas
Bennett	Enfield
Blanchette	Eyre
Boisvert	Fairey
Bourget	Gardiner
Brisson	Garland
Brown (Essex West)	Garson
Buchanan	Gauthier (Lake St. John)
Byrne	Gauthier (Portneuf)
Campney	Gingras
Caron	Goode
Carrick	Gour (Russell)

Gourd (Chapleau)	Martin
Habel	Matheson
Hanna	Michaud
Hardie	Monette
Harrison	Murphy (Westmorland)
Hellyer	Philpott
Hosking	Pickersgill
Houck	Pinard
Huffman	Pommer
James	Power (St. John's West)
Jutras	Proudfoot
Kickham	Prudham
Kirk (Antigonish-Guysborough)	Purdy
	Reinke
Kirk (Shelburne-Yarmouth-Clare)	Robertson
	Robichaud
Lafontaine	Robinson (Simcoe East)
Langlois (Gaspe)	St. Laurent (Quebec East)
Lapointe	
Lavigne	St. Laurent (Temiscouata)
Leduc (Gatineau)	
Legare	Schneider
Lesage	Shipley, Mrs.
MacDougall	Simmons
MacEachen	Stick
MacKenzie	Stuart (Charlotte)
MacNaught	Studer
McCann	Tucker
McCulloch (Pictou)	Valois
McIlraith	Viau
McIvor	Villeneuve
McMillan	Weaver
Mang	Weir
Marler	Weselak—98.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

ACCIDENT PREVENTION

SUGGESTED SETTING ASIDE OF SAFETY WEEK FOR CHILDREN

Mr. Daniel McIvor (Fort William) moved:

That, in the opinion of this house, the government should consider the advisability of setting aside a week to be known as the little people's safety measure week.

He said: Mr. Speaker, I am very happy to introduce this resolution. I am sure the Minister of National Health and Welfare (Mr. Martin) will take it into consideration in his usual way, and I am not in the least concerned whether it goes to a vote or not so long as the Minister of National Health and Welfare considers it favourably.

I think this resolution is long overdue. When one looks at what has been happening to the children of Canada in the last few years —even the last few weeks—one will say it is high time that publicity be given to the need for the protection of our children.

We now have weeks for different things. We have a week for wild life, and in passing I should like to pay my tribute to men like Jack Miner who did so much to protect wild life in Canada, which work is being carried on by his family at the present time. But wild life, important as it is, fades into insignificance when compared with the lives of the boys and girls. Their lives are deathless and eternal.

I know we have many great things in Canada of which we are very proud. We have the greatest wheat growing fields in the world. We have the greatest wheat handling elevators in the world. We have the longest railroad in the world. We have the greatest fresh water lake in the world. We have the greatest mines in the world. But these fade into insignificance when compared with the lives of our boys and girls.

I have a chart here from which I obtained some vital statistics. It has a good deal to say about the death of children of various ages. For the whole of Canada in 1954 there were 124,520 deaths. Of this total there were 20,000 between the ages of 10 and 14, more than all older folk. I would like you to note that according to this chart almost twice as many boys as girls died or were killed in accidents at a young age. Mr. Speaker, I would appreciate it if you would allow this chart to be placed on *Hansard*. It has to do with the deaths of males and females under 14 years of age.

Mr. Deputy Speaker: Did the hon. member indicate the source of the table?

Mr. McIvor: I obtained it from the bureau of statistics.

Mr. Deputy Speaker: Has the hon. gentleman leave to place this table on *Hansard*?

Some hon. Members: Agreed.

Mr. McIvor: The chart is as follows:

DEATHS BY SEX AND AGE, CANADA AND PROVINCES, 1954

Ages		Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
All ages	T	124,520	2,916	966	5,692	4,286	33,169	44,515	6,719	6,323	7,520	12,414
	M	72,140	1,696	531	3,222	2,463	18,668	25,050	4,055	4,001	4,778	7,676
	F	52,380	1,220	435	2,470	1,823	14,501	19,465	2,664	2,322	2,742	4,738
Under 1 year	M	7,969	335	55	340	376	3,032	2,019	385	432	510	485
	F	5,872	226	40	228	288	2,329	1,498	250	276	372	365
1 year	M	545	25	2	33	21	223	110	23	26	40	42
	F	453	18	1	17	23	186	105	18	23	24	38
2 years	M	304	8	1	13	16	99	82	20	17	17	31
	F	236	5	2	6	12	95	59	16	11	16	14
3 years	M	232	8	2	12	7	83	64	12	11	15	18
	F	140	.....	1	11	7	45	32	5	17	10	12
4 years	M	195	5	1	9	9	69	59	12	7	13	11
	F	139	6	1	5	11	54	36	9	4	7	6
Total under 5 years	M	9,245	381	61	407	429	3,506	2,334	452	493	595	587
	F	6,840	255	45	267	341	2,709	1,730	298	331	429	435
5 years	M	174	6	2	8	10	68	51	9	2	9	9
	F	112	3	1	3	4	43	36	6	2	9	5
6 years	M	162	5	.....	9	6	66	46	5	2	14	9
	F	80	3	.....	3	6	27	23	2	2	10	4
7 years	M	135	4	.....	8	9	52	36	5	7	4	10
	F	95	.....	.....	7	7	35	27	6	4	7	2
8 years	M	117	6	1	6	7	39	43	4	4	3	4
	F	68	3	1	5	2	27	17	2	4	2	5
9 years	M	108	7	1	4	7	35	31	8	5	7	3
	F	52	3	.....	1	1	19	13	3	1	6	5
Total 5–9 years	M	696	28	4	35	39	260	207	31	20	37	35
	F	407	12	2	19	20	151	116	19	13	34	21
10 years	M	101	4	1	2	5	39	29	4	3	9	5
	F	49	1	.....	4	4	16	13	3	2	2	4
11 years	M	96	3	.....	6	5	37	25	5	7	6	2
	F	54	5	1	2	2	20	17	1	1	.....	5
12 years	M	68	.....	2	4	6	23	13	4	2	6	8
	F	29	1	.....	.....	1	10	9	1	2	3	2
13 years	M	85	4	.....	6	4	27	25	6	3	7	3
	F	45	1	.....	1	1	13	12	2	4	3	8
14 years	M	89	2	.....	6	4	29	26	5	5	6	6
	F	45	1	1	1	2	18	9	3	3	4	3
Total 10–14 years	M	439	13	3	24	24	155	118	24	20	34	24
	F	222	9	2	8	10	77	60	10	12	12	22
All other ages	M	61,760	1,274	463	2,756	1,971	14,747	22,391	3,548	3,468	4,112	7,030
	F	44,911	944	386	2,176	1,452	11,564	17,559	2,337	1,966	2,267	4,260

There are many different causes of accidents. One is drowning. There are not many members in this house who do not know of a danger spot for little boys and girls. I can remember that one of the first things I had to do in Fort William was help Dr. Cook to give respiration to a little fellow who was drowned in the Neeking river. At the rear of the houses on the river there was nothing but a few willows to protect the boys and girls from drowning. On another occasion I saw a man sitting on the bank of Mosquito creek as I was coming in from the country on a Sunday afternoon. I asked, "What is the matter with you?" He said, "My boy went in swimming there," and you could not see a ripple of water. There was nobody to protect him or take him out. We got him out some time after.

Another cause of a good many accidents is cars and trucks. A little fellow will run out where you do not expect him to run. Sometimes accidents are caused by boys hitch-hiking on the rear of a car, or in the wintertime sliding behind the car. Many accidents occur when children are crossing the street. I can remember, not a great while ago, when a four-year old boy in Fort William ran out in front of a street car at a corner and lost his life.

Another outstanding cause of death of children is negligence and ill treatment by parents. When a father or mother indulges in drinking you might say they are not responsible, but they are responsible when the children suffer. Sometimes they leave them in an automobile while they go to a picture show or to a beer parlour. I must express my appreciation to the police of Fort William, because whenever they find a car with little children locked inside they take care of that car. Another thing children should be advised to do, especially little girls, is to be very careful in speaking to strange men. The tragic result of this has been seen in the past few days.

Another cause of accidents is fire. Sometimes this is the result of using matches; sometimes there are other causes. It is very difficult to save little children when a house is on fire. Another cause of accidents is the use of bicycles. When you are driving a car it is difficult to avoid a boy who swings out on a bicycle. Sometimes he will have another boy or perhaps two boys on the handlebar.

It is very difficult to protect the lives of those children. We know something of the importance of advertising. If the proper authorities in Canada would advertise a week for the protection of little folks it would go a long way to help. Fort William showed its appreciation of the importance of advertising. Our chief of police and city council kept advertising the prevention of accidental death in Fort William for 629 days; now it has started again, and we hope the period will be longer this time.

A week for the protection of little folks should be advertised through our teachers, through our school boards, through our city councils, through our police forces, through our service clubs, through our churches and by means of women's auxiliaries.

I know the government showed its interest in the protection of little folks when it passed the Family Allowances Act. That is one of the greatest things that has ever been done to help the children of Canada. Some people think the allowances should be increased. I believe the minister would like to increase it, too, if he could get the means to do so. Another thing that is going to very much help the health and protection of little children is a new plan for health insurance. This health insurance will be of more benefit to children under 14 years of age than it will be to those over 14 years of age, because the death rate is so much higher.

Children's patrols and police patrols are doing good work in helping to protect the children at crossings. I noticed in the press today that the birth rate in Canada reached a new high in 1955; 442,000 in 1955 as compared with 435,000 in 1954.

I am not going to labour this very much longer, but I will say this. We can protect the lives of our boys and girls. We can protect their health, but we have to do something else. It is not sufficient to teach them how to earn a living; we must teach them how to live and how to honour their fathers and mothers, how to respect their Queen and country and to worship their God and serve Him daily. We must instil these ideas into their hearts and minds.

I place this resolution before you, Mr. Speaker, and I hope the Minister of National Health and Welfare (Mr. Martin) will ensure that we have in Canada a week devoted to the protection of our little folks, because nothing in this country in the way of wealth or potential compares with our little boys and girls. Thank you, Mr. Speaker.

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I had no intention of speaking to this resolution, or any idea that it would come to debate tonight. However, I do not think we should allow a motion of this kind to be discussed without the house expressing to the hon. member for Fort William (Mr. McIvor) its sincere appreciation for his efforts in relation to this resolution.

I think the hon. member who has just taken his seat has won a place in the heart of each of us, as has his very lovely wife who listened tonight from the gallery as he spoke. As all hon. members know this resolution is just the culmination of the principles by which the hon. member has lived in both his private and public lives. I do not think, Mr. Speaker, that any one of us has to speak in favour of this resolution which has been brought forward with such sincerity by the hon. member for Fort William.

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, as the hon. member who has just taken his seat has indicated, the resolution standing in the name of the hon. member for Fort William is one that understandably makes a strong appeal to all sections of the house. The hon. gentleman has on several occasions directed our attention to matters of consequence, and he has used the vehicle of private member's day to bring to our attention some of the things he feels have importance, notwithstanding the fact that sometimes the practicality of the suggestion may be open to question.

I well remember the hon. member for Fort William anticipating many matters that later were adopted in other jurisdictions of government in this country, although the subject matter was discussed in this house long before it became law in these other areas of government.

The hon. member tonight directs our attention to a resolution which suggests that in the opinion of this house the government should consider the advisability of setting aside a week to be known as the little people's safety measure week. In doing so the hon. gentleman directs our attention to the fact that one of the greatest causes of death in this country is the negligence of many drivers of motor vehicles.

The hon. gentleman, of course, is aware of the interest which now exists in trying to curb fatal accidents in Canada. This interest is the result of the initiative taken by a former colleague in the government, the former minister of national defence, Hon. Brooke Claxton, whose well known qualities of leadership caused a national organization with provincial branches to be set up to determine whether or not the heavy fatal accident toll in Canada could be somewhat abridged and arrested. I am sure that the hon. member, having directed our attention to this problem tonight, will find that whatever support can be given to this national safety movement formerly headed by the ex-minister of national defence is one of the effective ways of meeting the objective which he himself has in mind.

I may tell my hon. friend that the government of Canada is giving consideration to some measure of financial assistance along with the provinces to a safety campaign. Whether or not the government's policy will be finalized along the lines indicated remains to be seen, but I merely mention this interim consideration to indicate to the hon. gentleman the government's interest in this problem. I should also point out that the question involved is one which, under our constitution, properly resides with the provinces, and the provinces would be very jealous of any action on our part that would interfere with their constitutional rights.

Some hon. Members: Oh, oh.

Mr. Martin: Well, my hon. friends on the other side of the house are laughing—

Mr. Coldwell: No. no.

Mr. Martin: I am sure if we were to interfere with the rights of the government of Saskatchewan my hon. friends would be the first to bitterly and vigorously complain.

Mr. Stewart (Winnipeg North): Not if it is a progressive step.

Mr. Martin: My hon. friend says not if it is a progressive step, but my hon. friend knows there have been many occasions when interference with provincial sovereignty has caused my hon. friend to rise with great alacrity and offer opposition.

Mr. Argue: Bring in health insurance.

Mr. Martin: My hon. friend says bring in health insurance. My hon. friend does not like the fact that the government has already taken the initiative in this regard.

Mr. Argue: That is not true.

Mr. Coldwell: The minister knows that the opposite is the case.

Mr. Martin: I was not directing my remarks to the hon. member for Rosetown-Biggar (Mr. Coldwell). I am referring to my smiling friend who is sitting behind the leader of the C.C.F.—

Mr. Coldwell: Oh; Mr. Knowles?

Mr. Martin: —the hon. member for Assiniboia (Mr. Argue), the young member who sits behind him and who on occasions finds it extremely difficult to restrain himself.

Mr. Herridge: Would the minister permit a question?

Mr. Martin: Yes.

Mr. Herridge: Is it not a fact that this government passed an act which provided for

a national wild life week? Does that not interfere with the constitutional rights and jurisdiction of the provinces?

Mr. Martin: I was about to come to that. My hon. friend is quite right in saying what he did but there is a vast difference between wild life in the woods and the kind of wild life we have on our highways. The point my hon. friend makes is indeed an important one and brings me back to the real subject at issue—

Mr. Argue: Take a bow.

Mr. Martin: —and that is whether or not we should set aside a week to be known as the little people's week.

I think the point we really want to emphasize is that not only one week should be devoted to this worthy purpose, but that every day every Canadian should think of the safety of our young people.

I commend my hon. friend for this resolution. I would ask him to join with me in recognizing that we want every day to be observed in the way he suggests. Having brought this matter to the attention of the house so forcefully and with such vigour, I am sure he will feel that his purpose will have been well served.

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to say just a word or two on this resolution. I feel that this objective is something that is worth while. May I say that I think the Ontario government has gone about the matter in the right way. In connection with the school safety patrol they now have an officer who goes from one municipality to another. That officer was a traffic officer who was trained in Peterborough. His name is Don MacKay. He is an excellent man for the job. He is a good talker, and he can speak to the children. He loves children. That safety patrol, such as we have here in Ottawa and in various municipalities around the province, composed of children trained by officer Don MacKay and the police in the various cities, has saved thousands and thousands of lives.

There is, however, one thought that came to me today when I was driving here from Peterborough. While I was coming through the outskirts of Ottawa a youngster was crossing the road. He never saw to the right or to the left because of the fact that he had on a high collar which was like blinkers on a horse. He could see only in front of him. I think it is wrong for a child to be bundled up so he cannot see to the right or to the left. In some of the states to the south of us they are extremely strict about these highway school signs, and they keep them on the road all day long and all night long. When you come to one of these signs and it says, "Ten miles an hour", if you go 11 miles an hour you get a ticket; or if you approach one of those signs faster than, say 20 or 25 miles an hour the person on patrol will wave you down and tell you that you must not pass that sign and go through that section at a speed greater than 10 miles an hour.

Mention has been made of the health plan. The Minister of National Health and Welfare mentioned it tonight. The dominion government—this government here—have been forced into the health plan by the Ontario government, as they have been forced into the disability pension plan and other plans of that kind.

Some hon. Members: Oh, oh.

Mr. Fraser (Peterborough): Yes; the premier of Ontario was the one who brought forward the subject of health insurance.

Some hon. Members: Oh, oh.

Mr. Fraser (Peterborough): Yes; he was the one who brought it up for consideration. Now this government is trying to make hay while the sun shines.

Mr. Martin: Mr. Speaker, I must rise on a point of order. If the hon. gentleman is going to discuss this matter in the vein he has now indicated, I would suggest to you that he is clearly out of order. It is true that I mentioned the subject, but I did so only because there had been a chirp from under the gangway.

Mr. Fraser (Peterborough): Mr. Speaker, I chirped only because the minister chirped, and I did not want him to get in the last chirp.

Mr. Elmore Philpott (Vancouver South): Before the hon. member for Fort William withdraws his motion, Mr. Speaker, may I say how happy I am to give moral support to my old friend. With regard to the means of applying his resolution, I think he cannot go far wrong if he consults privately with the Minister of National Health and Welfare, because there is no man in this whole country who knows how to put over a good idea better than does that minister.

May I say how happy I am from my seat here in the House of Commons to give what support I can to my old friend the hon. member for Fort William. When I first met him 20 years ago, when I helped to elect him first to this House of Commons, I found that he and his wife were just as much beloved and respected in the city of Fort William then as they are now in the halls

of this parliament building, not only in this chamber but in the other place. When the hon. member picks a cause like the safety of the young children of Canada, it seems to me it is typical of his whole career.

I was trying to think tonight of other people who had done good work in this regard. I remember that in 1928, when I first went as a young editorial writer to what was then the *Globe*—that was before it fell into a gold mine and became the *Globe and Mail*—we had in our circulation department a bright young man whose name was C. George McCullagh. I refer to the late C. George McCullagh, who later became publisher of the combined paper. Of the many good things C. George McCullagh did when he became a rich and powerful publisher, I do not think in his lifetime he ever did anything finer than what he did on the old *Globe* back in the twenties, when he went all over central Canada promoting what was called the Just Kids safety club. The whole purpose of that club was to teach children to look both ways before they crossed the street.

I should just like to say that in bringing forward this resolution in such a fine way, it seems to me the hon. member for Fort William has done again the same kind of service that he has been doing all his life. Perhaps with the indulgence of the house, Mr. Speaker, you will forgive me if I tell a little story about the hon. member for Fort William, which I heard for the first time when he was elected in Fort William in 1935. Mr. Speaker, another government was in power at that particular time. Of course those were days when we had scores of thousands of unemployed people traipsing across this country because, as you will recall, those people had to go through Fort William.

They told the story of a modest clergyman who had worn his old black coat so long that it had turned green with age. Finally one day one of his congregation took him in and bought him a magnificent new black coat. About 10 days later the gentleman who had made the purchase saw the same clergyman on the street wearing the same old coat which had turned green with age. When he asked the clergyman the reason he received this reply: "You see, I met one of those boys off the train who had no job and no coat, so I gave him mine".

That clergyman, Mr. Speaker, was the same gentleman who tonight introduced this resolution designed to help save the lives of the children of Canada, namely the hon. member for Fort William.

Mr. E. G. Hansell (Macleod): I do not want to take up any time, Mr. Speaker, except to join with those who have spoken in favour of the general principle of a safety week in the interests of saving the lives of boys and girls. When I first read the resolution on the order paper some week or so ago and saw that it contained the proposal to set up a week known as little people's safety measure week I said to myself, "I think I will have to get in on this, because I am a little man, and it is about time somebody paid some attention to us little people." The group of Social Crediters here thought likewise.

I believe we are all in favour of the principle involved. I do think, however, that the Minister of National Health and Welfare was not up to his usual form in speaking extemporaneously on this matter and introducing the constitutional angle on it. He may have a point there, but I feel he was straining a little to make any sort of—

Mr. Martin: May I just point out that when this was mentioned two years ago, two different provinces took exception.

Mr. Hansell: What I was going to say was this. If it were desired to have anything of this nature on a national scale, I doubt very much whether it would be practical to refer it to the provinces. There is another way. I think the hon. member who introduced the resolution had in mind bringing the subject to the attention of the public and those organizations that may be concerned. I feel that is an admirable thing. There are organizations throughout Canada, national in scope, that could very well bring about a further consciousness of the need for a safety week for boys and girls.

We have our Y.M.C.A., Y.W.C.A. and various organizations interested in young people's work. We have our churches. We have our service clubs. I have noticed when listening to the radio that many of these organizations, and I believe many radio stations by courtesy, have announced over the air the necessity for being careful when one is driving. I do not know that the radio stations pay particular attention to the boys and girls, but they have rendered a service in that respect. I see no reason why some of these organizations could not do work along that line. It may cost a little money, but I am quite certain that this house would be willing to vote them some sort of grant. We make grants to other organizations. The amount of money would not be great, but we could support them in this way.

We have our health week. We have fire prevention week. We have brotherhood week. I believe we have crippled children's week, and as has been announced tonight, national wild life week. Soon we are going to run out of weeks. I feel we are all in agreement

with the principle here, and I would urge that organizations who are interested in young people's work take a cue from the discussion tonight and project themselves a little further to bring about the desirable objective set out in this resolution.

Mr. Ray Thomas (Wetaskiwin): I believe the hon. member for Macleod (Mr. Hansell) gave the reason I sat down so quickly, Mr. Speaker, when he rose. Since he is the little fellow in our group, I thought he should be the one to speak for the little people. As the hon. member for Macleod pointed out, we certainly agree that some sort of educational program should be put forward to educate the younger children of the country about the dangers they have to face every day.

I want to make one observation to the minister, one which came to me while he was speaking about the constitutional aspect of the resolution. I thought possibly his department could print a pamphlet of some description, written in a manner that would be understood by the younger children and perhaps printed in the style of a comic book, which the pre-school children could have read to them by their parents.

Mr. Martin: My hon. friend has not seen the pamphlet we have distributed?

Mr. Thomas: No.

Mr. Martin: I will be glad to send it to him.

Mr. Thomas: I would urge a pamphlet of that nature that could be read by the younger children. I would appreciate it if the minister could advertise that, to let the different organizations know and have them made available to the children.

Mr. W. B. Nesbitt (Oxford): I should like to say a few words in support of the general principle of the resolution introduced by the hon. member for Fort William. As the hon. member for Macleod said a few moments ago, it is to be hoped that some of the safety organizations in the country may obtain guidance from some of the remarks made this evening.

I do not want to take more than a moment or two, but I should like to refer to one aspect of safety for children. The particular aspect to which I am referring is a safety measure for children under 16 years of age who ride bicycles on our streets. As hon. members know the number of automobiles, particularly in urban areas, has greatly increased since the end of world war II. In fact they have increased at a far greater rate than road facilities. In addition, because of the increased standard of living in this country and the increased amount of money available, far more children ride bicycles than formerly. I believe all hon. members have had experience at one time or another with children around 10 or 12 years of age who ride bicycles and who pay little attention to the rules of the road. They duck in and out of traffic; they pass cars on the right and they come out without warning. It is not their fault, they just do not know any better.

If these children are going to drive vehicles on the street, they should have some instruction in the school or in the home. It is to be hoped that these organizations who are interested in this sort of thing will consider this aspect of the matter, because children on bicycles on busy streets of our cities at noon hour and after four o'clock are a great danger, not only to themselves but to motorists. I think this problem could be overcome by a program of education, explaining to the children what they should and should not do when they ride bicycles.

Mr. Maurice Boisvert (Nicolet-Yamaska): I should like to say a few words on this important subject of saving the lives of the children of Canada. Every day in the newspapers we read that fires and highway accidents have taken a toll of our children. I commend the mover of this resolution for having introduced this important subject here.

I suggest that the best method of instituting a week such as that envisaged by this resolution would be through the school teachers. Then the children could be told of the dangers of crossing streets, riding their bicycles when it is dark, or walking along roads. I would think that if during one week the teachers of this country told the children what to do and what not to do to protect their own lives, we should benefit a great deal from such a campaign.

I congratulate the hon. member for Fort William (Mr. McIvor) for having given us this opportunity of expressing our views on this subject tonight.

(*Translation*):

Mr. Pierre Gauthier (Portneuf): Mr. Speaker, I have paid close attention to the remarks of the various members who have taken part in the debate on that very important question of the safety of our young children, and I add my congratulations to those they have offered the hon. member for Fort William (Mr. McIvor).

In general, the discussion has been mainly on the highway or street safety for children who are riding their bicycles or walking along the road. But I believe we should lay more stress on the safety measures that could be taken to save the lives of our young children at home. As a matter of fact, the appalling number of young children who

have perished in recent fires should prompt us to ask the authorities and the different parish or city organizations to undertake an education campaign wherever possible but first of all among parents. For, according to the papers, many of those tragedies occur while parents are away from home, having left their children in the care of some other child of 12 or 14, and even quite often, of a 10 year old baby sitter. An educational campaign should therefore be launched by public bodies and various organizations for the benefit of parents.

The national week suggested by the hon. member for Fort William should be favourably received by all. It should, of course, be a voluntary and country-wide campaign, in order to stop this plague which, for the past few years, has taken far too many lives.

Again, I congratulate the hon. member and hope his resolution will arouse the people of Canada. This campaign should, moreover, be carefully prepared for its purpose will consist in educating not only the children but, first and foremost, the parents themselves. That, to my mind, is where we should start.

(*Text*):

Mr. Daniel McIvor (Fort William): Mr. Speaker,—

Mr. Deputy Speaker: If the hon. member speaks now he will close the debate.

Mr. McIvor: Mr. Speaker, I appreciate very much the sentiments expressed by hon. members. The outstanding need of course, is the advertising of the dangers that confront our boys and girls. I am not going to ask for a vote because I do not think it would do a bit of good. It would not help us get any further, because the minister has already promised to consider it. I want him to consider it favourably without a vote.

Mr. Deputy Speaker: I understand the hon. gentleman is asking to withdraw his motion. Is that agreed?

Some hon. Members: Agreed.

Motion withdrawn.

HUMAN RIGHTS

MEASURE TO ENSURE FUNDAMENTAL FREEDOMS—PROPOSED AMENDMENT TO BRITISH NORTH AMERICA ACT

Mr. M. J. Coldwell (Rosetown-Biggar) moved:

That, in the opinion of this house, consideration should be given to the taking of whatever steps

[Mr. Gauthier (Portneuf).]

are necessary to amend the British North America Act so as to include therein the following heading and sections:

"XII Human Rights

148. Notwithstanding anything in this act, it shall not be lawful for the parliament of Canada or the legislatures of any of the provinces to make laws:

(a) Abridging freedom of speech and expression, or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.

(b) Depriving any person of life or liberty by arbitrary or abusive measures, or denying to any person the equal protection of the laws.

(c) Requiring or imposing excessive bail or cruel or unusual punishment or exiling Canadian citizens.

(d) Subjecting any person to unreasonable interference with his or her privacy, family, home or correspondence.

(e) Subjecting any person to arbitrary arrest or detention or denying to any person the right after arrest to be informed promptly of the charges against such person and to trial within a reasonable time or to be released.

(f) Suspending the right to habeas corpus or depriving any person of a fair trial or the right to be represented by counsel.

149. The rights provided in section 148 shall be enjoyed without distinction of race, sex, religion or language and the right to vote in any election of members of parliament of Canada or the legislative assembly of any province shall not be denied or abridged on account of race, religion, language or sex.

150. The rights conferred by sections 148 and 149 hereof of this act shall not be deemed to abridge any existing right of any person."

He said: Mr. Speaker, I did not rise to take part in the debate on the resolution which the hon. member for Fort William has just withdrawn because I told the whip that I would proceed with this resolution tonight, and I regard it as somewhat in line with the resolution moved by the hon. member for Fort William, because both of us have in mind certain freedoms. One of those freedoms which the hon. member for Fort William has in mind is the freedom of children to walk and ride safely along our streets and public highways. That indeed, of course, is a freedom not covered by the resolution I am moving, but nonetheless it is a very real one for the children of our country. Consequently, while I was very much in favour of the resolution, I did not want to prolong the debate by participating in it.

About a year ago, Mr. Speaker, I moved this resolution in the house. It is in precisely the same terms as the resolution I moved on that occasion. At that time we had what I thought was a very worth-while debate, but we came to no conclusion. On this occasion I am hoping that those who participate in the debate will keep the purpose of this resolution in mind. That purpose is that sooner or later we may write into the constitution of our country, the British North

America Act, a new section, or new sections, worded as I have them here. Therefore at this stage I should like to read them into the record. They are as follows:

"XII Human Rights

148. Notwithstanding anything in this act, it shall not be lawful for the parliament of Canada or the legislatures of any of the provinces to make laws:

(a) Abridging freedom of speech and expression, or freedom of religion, or of the press or other means of communication or the right of lawful assembly, association or organization.

(b) Depriving any person of life or liberty by arbitrary or abusive measures, or denying to any person the equal protection of the laws.

(c) Requiring or imposing excessive bail or cruel or unusual punishment or exiling Canadian citizens.

(d) Subjecting any person to unreasonable interference with his or her privacy, family, home or correspondence.

(e) Subjecting any person to arbitrary arrest or detention or denying to any person the right after arrest to be informed promptly of the charges against such person and to trial within a reasonable time or to be released.

(f) Suspending the right to habeas corpus or depriving any person of a fair trial or the right to be represented by counsel.

149. The rights provided in section 148 shall be enjoyed without distinction of race, sex, religion or language and the right to vote in any election of members of parliament of Canada or the legislative assembly of any province shall not be denied or abridged on account of race, religion, language or sex.

150. The rights conferred by sections 148 and 149 hereof of this act shall not be deemed to abridge any existing right of any person.

I may say, Mr. Speaker, that section 150 is placed in the resolution so that beyond peradventure it would not be considered that the sections that precede it in any way limit the rights that have been established by law, by custom or by precedent to the citizens of Canada generally over the years.

Throughout the long history of the fight for human rights and freedom we have found from time to time the necessity of putting into writing the rights or the privileges that had been obtained or attained in former years by means of precedent. If we look through the pages of our Canadian history, as well as the history of the country from which we derive so many of our freedoms, Britain, I think we shall find that this is so. Often certain rights were established by custom; then later on it was thought wise by the people of the country and by the representatives whom they elected to their representative institutions, whether they were the parliaments of medieval times, the parliaments which followed the overthrow of the Stuart kings at the end of the 17th century, or more recently, to confer certain rights of representation and of voting upon various groups of people in our own country and in the country from which we derive so much of our inspiration and so many of our institutions.

I might remark to the house that from time to time in this country over the years the right to vote has been limited by the action of legislatures because of race or religion. I only refer to measures that have been adopted by this parliament since I have been a member of this house in order sometimes to restore rights that had been abrogated, or to ensure rights that had been taken away by other legislatures.

It was not so long ago that persons professing a religion which caused some of the wilder men and women in that religious group to do things which were not in conformity with the manner in which we expect our citizens to behave—I refer of course to the Doukhobors—found that the right to vote for members of the parliament of Canada was based upon an enactment of the legislature of British Columbia. Because the province of British Columbia denied that group of people that right, they were denied the right to vote for representation in this parliament. I know of cases where the people on one side of the family were of Doukhobor descent and those on the other side were descendants of United Empire Loyalists; yet they were all denied the right to vote because they were said to be, and legally were, the descendants of Doukhobors.

I think it is wrong that this kind of thing should be done in connection with persons professing a certain religion, even though some disobey the law, provided the majority are law-abiding as is the case with the group I have just mentioned. In my own province of Saskatchewan we have large populations in some areas of people of Doukhobor origin, Doukhobor religion and Doukhobor descent. I venture to say that there are no more law-abiding citizens, there are no citizens who are becoming better integrated into our society in Saskatchewan than some of the descendants of those Doukhobor settlers who came to this country just before the dawn of the present century.

Consequently when any group of people are denied the right to exercise what we regard as the fundamental and basic rights of citizens, not only their rights but the rights of all citizens are to some degree endangered, because we never know when the denial of those rights may be extended to other groups within the community. Only a few days ago I was reading in the new issue of what is perhaps now the national magazine, *Maclean's* magazine, an editorial dealing with another religious group in one of our provinces which may be denied the right to hold

property as we understand that right. The editorial remarked that recently a group of municipal representatives in the province of Manitoba had approached the Manitoba government with the request that legislation be enacted similar to that which had been enacted in the province of Alberta several years ago to prevent people who professed a strange religion, who were considered to be a strange people, the Hutterites, from extending their holdings of land and establishing colonies I think within 40 miles of any existing colony.

The writer of that editorial pointed out very properly that if that kind of request were granted by the government of Manitoba —I say at once that the writer of the editorial was of the opinion that it would not be granted by the present government of Manitoba—it would constitute an infringement of a right which is implicit when we as a national parliament invite people to come to this country. When we allow people to come to Canada under our immigration regulations, if they are law-abiding people we should permit them the same basic rights as the rest of us possess. No one will deny that the people to whom I have just referred are law-abiding.

In moving a resolution of this description, I have these recent matters and examples in mind. Then, too, I have noticed legislation recently introduced in one of the provinces in connection with the newsprint industry that might—I do not say it will—be used to limit the freedom of the press, that might be used indeed to stop the publication of a newspaper or a magazine which the authorities in that province did not like, which was violently opposed to the provincial regime. I say at once that I do not know that the legislation would be used for that purpose, but the obvious inference on reading the legislation is that it might be so used.

Then some years ago we had legislation, which was denied by the courts and the federal government, for the limitation of the freedom of the press in the province of Alberta; I refer to the provincial act of 1937.

Consequently it seems to me that we should have such rights of citizenship clearly set forth in our constitution. This resolution if accepted would write into our constitution some of these basic rights which are not written in at the present time. The Minister of Justice (Mr. Garson) may say that the preamble of the British North America Act provides these rights, or perhaps by inference, custom or precedent there is an enjoyment of them; but I think I have already indicated several examples which would show that these rights which are surely national in scope are not always respected by provinces and legislatures.

I am happy, of course, that from time to time our courts do interpret the constitution in such a manner as to safeguard some of our basic rights. The recent judgment of the Supreme Court of Canada in connection with the violation of a home by the police in a neighbouring province is a case in point. In that instance the final legal authority in this country, the Supreme Court of Canada, ruled that provincial police had acted in violation of the constitutional rights of a man who was holding a religious service in his home. They ruled also that in confiscating the literature and the Bible and deporting the man across the boundary they were infringing one of the basic rights of Canadian citizenship. So I say that from time to time our courts protect us by the interpretation of the law and the constitution.

Then, of course, there is undoubtedly discrimination as between individuals, sometimes on account of racial origin. It is very deplorable that in this province of Ontario, while the provincial legislature did pass an act making it an offence to discriminate against an individual because of his colour, that law has still been defied in one or two of the smaller places in Ontario and once or twice, indeed, I believe even in the city of Toronto. Racial discrimination does occur from time to time.

The Minister of Justice may say again, like the Minister of National Health and Welfare in another connection, that this might be considered as under provincial jurisdiction. Indeed, of course, some colour is given to that argument by the fact that several provinces have on the statute books legislation forbidding such discrimination. But it seems to me that we should have that protection as an inalienable right of our Canadian citizenship as such; not a right because we are residents of the province of Ontario, through a provincial act; or of the province of Saskatchewan, because of a provincial act; or of any other province because of a provincial act. We should have it as a constitutional right written into the constitution within a bill of rights.

That, as I have said, is one of the purposes of this resolution. Sometimes I have felt that even under our federal authority our immigration department has from time to time discriminated against persons who have come here, sometimes indeed ostensibly to do one thing when they may wish, having been here for some time, to remain to do another. I have felt that simply because they were of a different race or a different colour, they

have been deported. Of course I may be wrong in my judgment; I may be erring in that opinion; none the less that is my opinion, and I think it has been shared by a good many people who have looked into some of these cases in our country.

When we look around the world we see how from time to time in various other countries the rights of individuals have been abrogated or limited by the rise to power of persons who have no sympathy with human rights and fundamental freedoms. I know it will be said—perhaps the Minister of Justice will say it when he takes part in this discussion—that if you look across the sea, to the United Kingdom for example, you will find that the rights enjoyed by the people there are not embedded in a bill of rights, that they stem from a number of acts and a number of precedents.

Some of the precedents have been created by the courts. I have in mind at the moment the right to liberty of the individual, which was not originally set forth in any law but was expressed by Lord Mansfield. When it was brought to his attention that a negro—I have forgotten his name, but I think he was called James Somersett—was in slavery in England and was to be taken away again into slavery by his owner, the judge said something to this effect, "The air of this country is free, and he who breathes the air of this country must enjoy freedom." He ordered that slave to be set free. There was no bill of rights in the sense that I am discussing a bill of rights. There was no act of the British parliament which ensured to that individual the right to life and liberty, but he had that right by the judgment of a court. Subsequently the freedom of slaves was decreed by parliament.

It may be said, of course, that in the great country to the south they have written into their constitution a bill of rights; but you have only to look at what has happened there, particularly in the southern states recently, to realize it has not meant all that the persons who wrote that bill of rights intended it to mean when they wrote it into the constitution. However, I do not think that alters by one jot or tittle the fact that the writing into our constitution of a bill of rights of the description I have had the honour to place before the house tonight would imbed in our constitution, in the minds of our people, those basic rights of citizenship that are set forth, and give protection.

From time to time, of course, within recent years we have had the denial of the very first freedom I mention here; freedom of speech and expression. Under all sorts of local enactments, sometimes municipal laws, persons who wished, shall we say, to conduct a religious service in the street were stopped from doing so; not only ordered to move on, but sometimes even arrested for causing obstruction.

Freedom of speech is a very precious thing which we enjoy under the constitution, and it should be specifically written in. Some of us have had the pleasure of strolling on an evening up to Hyde park corner and hearing the freedom of speech there under the protection of the law, in the person of a policeman. I remember when I was there in 1944 and the buzz bombs were coming over London, three Canadian friends and I walked one evening up to Hyde park corner, and we heard an agitator denouncing the war, denouncing the prime minister and the various political parties supporting the war, and calling the young men and women standing around fools for believing that the war was being fought for human freedom and human rights. Yet the policeman saw to it that the speaker was not interfered with.

That seemed to me, at least, to be going a very long way in freedom. None the less, because that freedom exists I believe that the rights of individuals in the United Kingdom and the institutions of that country are probably safer from violent overthrow than the institutions of almost any country in the world—not that I think that our own institutions are now in any danger in that respect. Freedom of speech and of expression are among the basic rights of the individual as is, of course, freedom of religion. Canadians belonging to one religious denomination regard people who attend religious services of other denominations not only with equanimity but with esteem and understanding, and that is a precious quality in the society in which we live.

I have already mentioned freedom of the press and of means of communication. I should also mention, of course, that right that has been secured after many years of struggle, the right to organize, the right to associate, and the right to express oneself with one's fellows through an organization and in association with people of like mind.

I have outlined other liberties in this resolution including freedom from cruel or unusual punishment. I do not think punishment of this kind is inflicted by any of the courts in this country. I do not know of a case in recent times which has brought a sentence of cruel or unusual punishment. I have sometimes thought, however, that the sentences meted out might have been more severe than was perhaps warranted by the crime; but even those punishments could not be characterized as cruel or unusual.

Within our own lifetime we have had instances of arbitrary arrest and detention, and within my experience in this house there have been instances of the denial of the right of the individual after arrest to be informed promptly of the charges against him and to be given a trial or released within a reasonable time. I am not going to go back and discuss in any detail the arrests that followed the Gouzenko episode, but I have always regarded what happened then as something of a blot on our Canadian jurisprudence, because some of the people who were picked up for questioning were held incommunicado, were not given access to legal counsel and were not charged with any crime. Although some of them were subsequently brought before the courts, found guilty and sentenced, others who had been treated in the same manner were found innocent. In that case, at least, there was a denial of justice of which most of us feel ashamed when we look back upon it.

Another right is that of habeas corpus. How often we have heard habeas corpus mentioned; yet I suppose there is no right we enjoy to which we are not heirs because of the descent of our constitution from that of Britain. The right of habeas corpus is the right of an individual to demand the production of someone who is under arrest, so that he may be brought before a proper court and given an opportunity to plead.

These are some of the rights I should like to see written into our constitution. It may be said, of course, that those rights are not in danger. However, tonight I have mentioned some of our rights which have been in danger or have actually been denied from time to time. It might be argued that the inclusion of these rights in the constitution of our country is wholly unnecessary, but I do not think so. Who knows what conditions may exist in this country at a future date? We have seen strange movements arise in some of the most progressive countries of the world. I know that 20 years ago I would not have thought it likely—indeed, I was going to put it more strongly and say I would not have thought it possible—that that democratic country in central Europe which was established after the first great war under President Masaryk would fall under dictatorship and become a totalitarian country. I would neither have thought that likely nor, as I said, possible; but that has happened. We do not know but that a group of individuals who would abrogate some of our basic freedoms—freedom of speech, of association, of the press, of religion and the freedom to vote without regard to race, creed or colour—might obtain a sufficiently large following in the country to deny us the rights that go with Canadian citizenship.

It may be said, of course, that even if we write these freedoms into our constitution, such a group would set it aside. That may be true; none the less the very fact that these rights were written into our constitution and were regarded as basic rights would make it more difficult for them to dispense with those rights. Therefore, Mr. Speaker, I am again moving this resolution, not because I expect the Minister of Justice to accept it tonight in view of what he said last year, and not because I expect the house to adopt it if the minister opposes it tonight, but because I hope it will continue to be moved either by myself or by someone who may come after me until such time as a section somewhat like this is written into our constitution and becomes part of the permanent written constitution of this land.

I have sometimes been twitted because of the fact that I have given lectures in the past in which I said that I preferred an unwritten constitution to a written constitution. However, this is a country consisting of provinces, and it has a national, federal parliament. Consequently we had to have a written constitution. I would have been very happy indeed if the fathers of confederation had followed the inclination, shall I put it that way, of Sir John A. Macdonald and been able to establish a unitary form of government in this country. That was impossible, of course, because we had provinces that differed in their civil law, their conception of property rights and their desire to control—and quite properly—their educational facilities. Hence we could not have that. But I am quite sure that the Prime Minister (Mr. St. Laurent) and the members of the government would have found the country much more easily governed had this been a unitary state instead of a federal state.

Because we are a federal state, I think it is more important that we should have written into our constitution a bill of rights of this description, so that we might not only limit our own power to abrogate the rights of citizenship within the provinces, but so the provinces should not have the right to abrogate the basic rights of national Canadian citizenship within their jurisdictions. So this resolution, if it became a bill which was introduced and passed, would limit the power of this parliament to deny any citizen any basic right, and by the same token it would also deny to legislative assemblies the right to abrogate any such right.

Incidentally, may I say this. I note that some legislative assemblies are now calling themselves provincial parliaments, and that certain premiers of provinces are now calling themselves prime ministers. According to my reading of the British North America Act, I thought there was to be one parliament of Canada; and by the same token I should think there would be but one Prime Minister of Canada. I make that comment incidentally, because this innovation has struck me as another one of those attempts to lower the prestige of the Prime Minister and of the parliament of Canada by placing the legislative assemblies and their premiers on the same level as that of the parliament of Canada and the office of the first or principal adviser of Her Majesty the Queen within Canada.

I want to conclude, Mr. Speaker, by thanking the house for giving me its attention again. I may say that I did not come down here tonight expecting to move this resolution. However, I discovered that there were some who expected me to move it. Their resolutions coming next, I found that I would have gravely embarrassed them if I had failed to move this resolution. I am therefore commending it to the Minister of Justice and the house. If not tonight or if not at this session, I hope that on some future occasion, even in some future session, such a bill of rights will be adopted and become part of the accepted constitution of this great, free land which we want to maintain in freedom and in peace.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the hon. member for Rosetown-Biggar who has just taken his seat said that when he came down to the chamber tonight he did not expect to be moving this resolution. I did not expect either that he would be moving it or that I would be replying to it. I listened, as I always do, with great interest to what the hon. gentleman had to say. After listening to him and agreeing with 90 per cent of the letter of his speech and with 100 per cent of its spirit, I have come to the conclusion that we think remarkably alike on this subject.

Mr. Coldwell: I think so, too.

Mr. Garson: Those points upon which we differ could perhaps be resolved more quickly if, instead of confining our discussion on this matter to debate in the house, we were to get together for an hour some time. Either he would convince me that I was wrong on those points on which I differ with him, or vice versa I might hope to convince him that he was wrong.

Mr. Coldwell: Let us have a try some time.

Mr. Garson: Yes; I should be happy indeed to do so. My hon. friend says he is a great admirer of the institutions of Great Britain and of its constitution, using that word in the large sense. He has instanced some cases which exemplify the way in which the British constitution protects the life and liberty of the British citizens.

With great respect may I say this—and this is one of the points whereon we differ—that I do not think the basis for his admiration is in all respects precisely correct. It is not because, in the case having to do with freeing of the slave, the judge reached the decision he did; it is not because of the existence of Magna Carta or of the bill of rights of 1688 which my hon. friend—I am sure unintentionally—rather left with us, or attempted to do so, the impression that it was the same kind of bill of rights which he is now asking us to accept.

Mr. Coldwell: Oh, no; I would not leave that impression.

Mr. Garson: I am glad to hear my hon. friend say that.

Mr. Coldwell: Quite the contrary.

Mr. Garson: May I ask my hon. friend whether, for the purposes of our present discussion, the essential characteristic of the British constitution is not that all these hard-won liberties which the British people have acquired over the centuries can be changed overnight by an act of parliament if parliament, in its wisdom or unwisdom, sees fit to do so. My hon. friend has spoken in terms of great praise of this political and constitutional system of Great Britain. There is not a syllable of the praise he enunciated which I would not endorse with all my heart.

It is because of the fact that I endorse his sentiments that I deprecate that he of all people in this house should seek to change an essential characteristic of the Canadian constitution which we have inherited from Great Britain, namely the principle of the sovereignty of parliament, and in its stead to adopt the type of bill of rights which they have in the United States constitution and which, if I understood him correctly this evening, he himself does not admire in all its parts.

Mr. Coldwell: Would my hon. friend permit a question?

Mr. Garson: Yes.

Mr. Coldwell: Does he consider the analogy between the constitution of the United States and the constitution of Britain—the one a written constitution and the other an unwritten constitution—to be a sound analogy? We have a written constitution.

Mr. Garson: If my hon. friend will permit me to say so, I think he misses the real point entirely. It is not a question of whether the United States constitution is a written one and the British largely unwritten so much as it is a question of whether, in a British democracy, we the people have sufficient confidence in our own judgment as democrats and sufficient confidence in our own legislative assemblies that we are not afraid to trust ourselves and our children, and our representatives in parliament to reach wise decisions. If we do not trust them, and if we do not trust the processes of democracy in our country, then we shall seek to restrict and hedge in the powers of the elected representatives of the people, as is done in the United States constitution.

On the occasion on which this matter has been discussed previously I attempted to make the point that if we could look around us in the world and see any written constitution such as that which as my hon. friend advocates restricts the powers of its legislative assembly, and if we could see that in practice it really protected the liberties of the subject, then I would say by all means adopt it. But I suggest to my hon. friend that he will look around the world in vain for any country whose constitution is restricted by a bill of rights which provides even a fraction of the protection of human rights and liberties that we are very proud to possess in the British countries, and specifically in Canada.

Now, my hon. friend from Rosetown-Biggar has referred to the British North America Act, and correctly, because that written statute is the main part of our Canadian constitution. He will see that in the very first paragraph of the preamble to that statute it says:

> Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom:

I say, Mr. Speaker, that following the passage of that imperial act it is a matter of history that in this country we have enjoyed all the traditional freedoms of British people. We have enjoyed them, if the comparison is not an invidious one—and certainly my hon. friend will not say it is invidious—to a far greater extent than those same freedoms have been enjoyed by any country anywhere in the world under the type of written constitution with a bill of rights which he would like to foist upon us.

The hon. member for Rosetown-Biggar says that the difference between our country and Great Britain in this respect is that Great Britain—he is quite right in this—has a unitary government, while in this country we have a federal system in which the total powers of government are divided between those which have to do with the national or federal government at Ottawa, and which are under the authority of this parliament, and those which have to do with the provinces, and which are properly under the control of the various provincial legislatures.

He said it is because of this division of authority that we should have in our constitution the same principles which they have in the United States constitution, whereby the successfully rebelling citizens of the United States colonies withheld from their national congress and state legislatures certain rights which they, the people, hold unto themselves and have not seen fit to bestow upon the national congress and government or the state legislatures and governments. If we are going to follow my hon. friend's advice in this matter, our problem is that of transforming the British principle of the sovereignty of parliament and provincial legislatures in the federal state of Canada in the form in which it was created by grafting upon our Canadian constitution, with its divided authority between Canada and the provinces, a bill of rights characteristic of the United States system. I say to my hon. friend with great respect that far from the fact that our constitution is a federal constitution being a good reason why we should adopt this suggestion of his, the very opposite is the case.

He says in his resolution:

> That, in the opinion of this house, consideration should be given to the taking of whatever steps are necessary to amend the British North America Act so as to include therein the following heading and sections:

Let me point out to my hon. friend what we should have to do in order to take the necessary steps referred to in the language I have just quoted. As we all know, under the British North America Act the entire powers of government in Canada have been divided up between those matters which are specifically assigned to the provinces as being of more provincial and local character, and those specific powers which are assigned to the dominion parliament. In addition, there is a general power assigned to this parliament to make laws relating to all those matters which are not specifically assigned to the provinces.

The very first power which was assigned to the provinces when the British North America Act was passed was:

> 1. The amendment from time to time, notwithstanding anything in this act, of the constitution of the province, except as regards the office of lieutenant governor.

My hon. friend, who is anxious to see that there should be included in the British North America Act some restraint upon the scope of the powers of the provinces in order to make it impossible for the provincial legislatures and governments to do some of the things which have been done and which he deprecates, might be well advised to address his arguments to the provincial legislatures in question themselves. They have the power to change their constitutions as long as they confine it to matters which are of purely provincial concern, and do not attempt to deal with the office of lieutenant governor.

The hon. member will recall that back in 1949 this parliament took the power, which we had not previously had, to pass laws dealing with all those matters which were of purely federal concern. But after we had done so, the British North America Act still dealt with a third class of matters, namely matters of joint concern to the federal parliament and the provincial legislature. In respect of that third group I would suggest, Mr. Speaker, that while it is true the parliament at Westminster throughout the years has seen fit to pass amendments to the British North America Act upon the receipt of a joint address of the Senate and the House of Commons, it would be politically difficult, if not unthinkable, that a responsible federal government should introduce such a joint address into the Senate and the House of Commons as would abrogate in any way the powers of the provincial governments over matters of joint concern unless the provinces concurred in that action.

I should think that, having regard to the fact that over the years the courts have unanimously held that the provinces acting within the sphere of their authority are just as sovereign as this parliament, it would not contribute very greatly to the political or constitutional harmony of this country if we in this parliament were to take it upon ourselves to follow the advice which I am sure my hon. friend either urges or implies by his resolution and by the speech with which he has supported it.

Mr. Coldwell: Before the minister leaves that point, will he permit a question? If he argues, as he does, that the preamble to the British North America Act gives certain rights that British citizens enjoy and that we in common with British citizens enjoy, then is it true to say that the provinces have no right to deny any of those rights to Canadian citizens? Since they have done so, is that not one reason why we should write into our constitution the protection that by inference is in the preamble of the British North America Act?

Mr. Garson: No, Mr. Speaker. With great deference to my hon. friend, if he will forgive me for saying so, I say it is a misunderstanding of some of these points, such as the one he just made, that causes him to have the desire to move the resolution he has moved tonight.

If I understand his question correctly, I should say this. The principle of the sovereignty of parliament, which is one of the cardinal principles of the British constitution, became the right and privilege of this house in respect of matters under its jurisdiction, and of the provincial legislatures in matters under their jurisdiction. Hence, much as we may regret it when cases arise such as my hon. friend mentioned, they fall within the principle of sovereignty of parliament of the British constitution and of our own constitution. It is within these principles that these acts that my hon. friend mentioned are passed. The only way in which this can be prevented—and he is perfectly right on this point—is by attaching to our constitution, both for the provinces and for this parliament, the same type of restrictions that he himself says are unsatisfactory in their operation as part of the bill of rights of the United States constitution.

My contention is, as it has been on previous occasions, that with all our Canadian constitution's faults, and they are not many; with every fault that my hon. friend can name, the provisions we have in the British North America Act are so superior to any of the types of bills of rights that my hon. friend can bring forward that I do not think we should compare them as being in the same class.

I grant you that on paper it sounds very impressive to say that no man shall be deprived of his property without due process of law; but I am sure my hon. friend's idealism would get a great shock if he were to look at the law reports and find in them many public utility cases in which the citizens invoking this provision of the bill of rights were large power corporations which said that they could not be brought under the type of act that my hon. friend himself might think was a very good act to pass, upon the argument that it was not within the power of that legislature to pass a law that took away from that power corporation the least part of its property or rights unless the matter were put before some court, and there disposed of by what they argued was due process of law.

My hon. friend has made reference to certain cases that he thinks are regrettable. I am now expressing solely my own views. Perhaps it is desirable, if we are engaged

in a life and death struggle with people who are bitterly opposed in every respect to every political concept that we hold dear, we should not shackle our own legislative powers to deal with any emergency that might arise in such time of war. For all of the abuses that may have arisen in that respect in countries like Great Britain, Australia and Canada, that have this principle of sovereignty of parliament, I am sure there are dozens of abuses that could be cited in other countries with bills of rights; where for example the right to vote is guaranteed to millions of citizens who have never received it. It is for that reason, Mr. Speaker, I find it rather hard to understand why my hon. friend from Rosetown-Biggar should be urging what, in my view, is so foreign to those views which I have always understood him to possess.

I am sure he and I share together a very deep-seated admiration and respect for all the political institutions of the United Kingdom which we have inherited in the British North America Act, and which today are one of our greatest treasures. It would be a matter of the very greatest regret to introduce anything into our constitution which would make it less like that of the great country from which we inherited it, and more like those with constitutions containing bills of rights with whose operation in real life we are all so familiar.

On the last occasion on which this was discussed the hon. member for Rosetown-Biggar will recall that I read into the record what I think without question, as those constitutions go, was perhaps on paper the most admirable extant. It is one of the most recent. The scholars who drew it up could examine those that existed before and bring down a really perfect protection for the liberties of the citizens.

As he will recall, on that occasion it sounded so good that one hon. member thought it was something prepared under the auspices of the United Nations. Actually it was the constitution of the Byelorussian republic. The hon. gentleman can see from this that it is all very well to draw up those constitutions on paper, but so far as the actual protection they give to citizen John Doe when his liberties are invaded, if we reflect for one moment we shall realize at once that that protection has to come from the invocation of the law by the law enforcement authorities that may result in an action before perhaps not a high court judge but merely a police magistrate. And so far as John Doe is concerned at that particular juncture, the protection of his liberty will not be one bit better than the interpretation by that magistrate of the law that is applicable to his case. If the law enforcement authorities are strongly opposed to the law that they are being asked to invoke, they will invoke it with something less than enthusiasm. The results for John Doe may be as if that law had never existed. If my hon. friend from Rosetown-Biggar thinks this is an exercise of my imagination I say, look at thousands of cases that have arisen under these bills of rights such as he advocates, and see if that is not the case in actual fact.

Where are the franchises which millions of citizens should have had and which for decades they have not enjoyed? Why is that, if it is not because there is no machinery or no organization to which they can go to have their rights under these bills of rights enforced? Therefore when my hon. friend brings along his motion and says we need this bill of rights because we are a federal state, that we should embark upon an application to the imperial parliament at Westminster to amend the British North America Act, in order to take away or abridge those powers of the provinces that I have mentioned here of amending their own constitutions, and to take away or abridge or limit in many ways their present powers over the administration of justice and the enforcement of the law, to interfere with their jurisdiction over property and civil rights, are we to be so naïve that we should think that after we have done that, we can go back to those same provincial governments and legislatures which cherish their powers and jurisdiction just as much as we do ours in this parliament; these powers over which we shall have run roughshod and we can then go back to them and ask if they will enforce those new laws that we have passed?

Therefore when my hon. friend says that because we have a federal state, that is the reason we should seek this change, I say to him that if we have any practical political sense whatever we will know that where there is this division of authority between Canada and the provinces it is of supreme importance that any change we make in our constitution will carry the judgment not only of this parliament and this government but of all the provincial authorities who have to enforce any changes that we may seek or get.

As regards the ideals that my hon. friend has set up, we are not in disagreement. I do not think a safety razor blade could be put between his views and mine as to the importance of the civil liberties of the individual. I think the difference between us is that I personally do not think there is any use trying to bring about a new heaven on earth unless

we pay some attention to the methods by which we are going to do that. All I have ever attempted to reply to a proposal such as that of my hon. friend in this same sort of context in which we are debating tonight, is this. You wish these principles protected. They are protected now by the British method. But you say we should protect them by the United States method. Let us then look at what we have to do in order to import this United States method into our Canadian constitution.

When we come to that point it has seemed to me—I have stated this on previous occasions—that it would be an act of very great unwisdom indeed if we should attempt in this parliament or under any federal auspices to take away any of the rights of the provinces, even if we thought they should be taken away.

For I put this to my hon. friend. Once you have this division of authority between the central government and the provincial governments in a free federal state—this does not apply to the U.S.S.R.; it applies to Australia, where they have these problems to just as great or a greater degree than we have them here—if we are going to seek for any practical solution to this matter of a bill of rights, the only way in which we can find it is if we seek it in co-operation with the provincial authorities. For as long as they retain under our constitution, which my hon. friend admires so much, the exclusive authority over the administration of justice and the enforcement of the law, we are going to be dependent upon their actions for the effectiveness of any changes in the law we make by securing a bill of rights.

Mr. Knowles: Would the minister permit a question? Is he not aware of the fact that the resolution as worded leaves entirely open the question as to how the amendment to the constitution may be brought about. If he will read the resolution he will note that it differs from other resolutions which usually ask that the government give consideration to something. This is put in general terms "that consideration should be given to the taking of whatever steps are necessary."

Mr. Garson: I had noticed that.

Mr. Knowles: Is not the minister introducing an extraneous consideration?

Mr. Garson: It is not extraneous at all. If I have a few minutes to finish my remarks, I would refer again to what I have said on previous occasions. While these are variations on the theme—I try to keep my theme exactly the same—the theme is that there is no objection at all to examining my hon. friend's suggestions in this country, but the only effective way in which they can be examined is by the federal authorities in concern with all the provincial authorities examining them. No other way is effective. That is what I ventured to suggest on previous occasions and that is what I suggest on the present occasion.

I admit that the point raised by the hon. member for Winnipeg North Centre is well taken, but in order to fill in this gap in the resolution, and perhaps in my own remarks, I say that we must act together if we are going to accomplish any proper or satisfactory results.

Mr. Fleming: Would the minister permit a question? Has the government given consideration to the resumption of the federal-provincial conference on constitutional questions?

Mr. Garson: Mr. Speaker, the government has not given consideration to a resumption of the federal-provincial conference on constitutional amendments. That had to do entirely with the method or means by which we might bring into existence in Canada, without resorting to the imperial parliament at Westminster, the means of amending our Canadian constitution entirely in Canada in a way that was approved by the federal parliament and certain suggested alternative numbers of provinces.

Whether it might be difficult to arrive at a method of amending the constitution in Canada, it might still be possible to deal with the distinct problem or point which has been raised by the hon. member for Rosetown-Biggar, and reach agreement with the provincial authorities concerning the insertion of a bill of rights in our constitution. If the provinces approved this it could take the form of a request to the imperial parliament to pass an amendment to the British North America Act under our present method. It was in that sense that I was saying in reply to the interjection made by the hon. member for Winnipeg North Centre, and to the mover of this resolution, that this is a matter that could be given consideration, but only satisfactorily by joint action of the federal and provincial authorities.

Mr. Speaker: It being ten o'clock, the house will stand adjourned until 2.30 p.m. tomorrow afternoon. I take it that the Minister of Justice has concluded his remarks.

Mr. Rowe: May I call it ten o'clock?

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

Question

ANSWER TO QUESTION

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

INCOME TAX OFFICIALS

Question No. 39—**Mr. Argue:**

How many income tax (a) inspectors; (b) other officials, have been employed in each province in each of the years 1951 to 1955?

Answer by: **Mr. McCann:**

Province	(a) No. of Assessors and Special Investigators as at 31st December					(b) No. of other Employees as at 31st December				
	1951	1952	1953	1954	1955	1951	1952	1953	1954	1955
Prince Edward Island	14	14	14	15	18	26	36	53	55	49
Newfoundland	12	15	18	17	18	26	19	18	21	20
Nova Scotia	63	76	75	76	77	171	148	145	145	139
New Brunswick	44	43	45	49	48	110	110	110	112	103
Quebec	621	447	465	466	474	854	784	763	814	796
Ontario	849	743	816	917	952	1743	1922	1955	1954	1868
Manitoba	142	121	129	141	134	161	187	196	170	177
Saskatchewan	133	116	124	142	141	199	190	198	208	192
Alberta	159	139	146	164	173	224	223	249	272	271
British Columbia	198	173	173	205	208	286	317	343	360	341
Yukon Territory	1	1	1	1	2	3	3	3	3	2

HOUSE OF COMMONS

Tuesday, January 31, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

SUSPENSION OF STANDING ORDER 58—
DEBATE ON EXTERNAL AFFAIRS

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, in order to regularize the proceedings for today, I should like to move:

That, notwithstanding the provisions of standing order 58, the order for the house to go into committee of ways and means shall be the first government order read this day to permit a debate on external affairs; provided that the proceedings on this order shall not exceed two sitting days and that, unless the debate thereon be previously concluded, Mr. Speaker shall interrupt the proceedings at 5.55 o'clock p.m. on Wednesday next and forthwith put the question on any sub-amendment and amendment then before the house; and provided further that when the said debate is concluded the motion for Mr. Speaker to leave the chair shall be withdrawn and the order for the house to go into committee of ways and means shall stand as appointed for the next sitting of the house.

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

Motion agreed to.

DOMINION-PROVINCIAL RELATIONS

ANSWERS OF CERTAIN PROVINCIAL PREMIERS
TO LETTER OF PRIME MINISTER

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to lay on the table copies of correspondence between some of the provincial premiers and myself since my letter of January 6 last, concerning fiscal arrangements. I should like to point out that since my reply to the hon. member for Three Rivers on Thursday last I have received letters from the premier of Quebec and the premier of New Brunswick. Copies of those letters are included with the other communications I am laying on the table. Perhaps hon. members would wish, for the sake of convenience, to have these communications printed as an appendix to today's *Hansard*, as was done with the previous correspondence.

Mr. Speaker: Is it agreeable to hon. members that these letters should be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

(For text of letters see appendix, pages 746-752.)

EXTERNAL AFFAIRS

STATEMENT RESPECTING ORDERS IN COUNCIL
PERMITTING ARMS SHIPMENTS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on Friday last the Leader of the Opposition and the hon. member for Eglinton asked me questions with respect to orders in council relating to the shipment of arms and war materials exported within the past year. The Minister of Trade and Commerce, on a question of privilege late Friday afternoon, explained that he had incorrectly referred to an order in council when what he really meant was a ministerial decision with respect to the issue of an export permit for the shipment of Harvard trainers to Egypt.

The Minister of Trade and Commerce also explained that orders in council were required only in cases where a transfer or sale of government property is involved, other than property that has been declared surplus and transferred to the Crown Assets Disposal Corporation. These sales, when approved by the governor in council, are specifically authorized by section 11 of the National Defence Act if the materiel in question is not immediately required for the use of the Canadian forces, and the proceeds of such sale may be used to replace such materiel.

I have had all the orders in council since January 1, 1955, relating to such transfers checked, and I wish now to comply with the request of the hon. member for Eglinton to give the dates of the orders in council and the countries concerned. There were 18 orders in council authorizing the transfer of mutual aid supplies to NATO countries, apart from amendments to previous orders that do not increase the quantities thereof; I assume the hon. member was not concerned with these and I have therefore not listed them. The others are as follows:

Date—1955	Country to which Sold	Price
January 13	India	$ 79.80
January 13	Bermuda	500.00
March 12	United States	350,000.00
April 27	Israel	632,191.00

These commodities shipped to Israel were part of those mentioned by the Secretary of

State for External Affairs the other day in reporting upon shipments to the Middle East.

May 5	Israel	$ 492.00
May 19	Belgium	12.72
June 8	Israel	30,240.00
July 14	United States	no charge

This shipment to the United States was property for test purposes valued at approximately $500.

September 1	United Kingdom	$ 61,650.00
October 7	Israel	91,000.00
October 19	Israel	10.00
November 3	Denmark	505.85
December 2	United States	no charge

This was property that had been on loan to the United States forces and which was valued when new at approximately $1,000.

December 14	Pakistan	$7,147.05

In fairness to the other countries involved in these transactions I feel it would not be proper to make these orders public, but I would be quite prepared to arrange to have them inspected in confidence by any hon. member.

I should add that other exports of arms and defence materiel, in addition to those covered by these orders, require export permits granted in accordance with the procedure outlined by the Secretary of State for External Affairs.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the explanation given by the Prime Minister I should like to ask if he will indicate to us why orders so small in amount as $10 for the transmission of arms or equipment in particular cases require orders in council, and why the sale of 15 aircraft to Egypt in this case required no such formal order. There seems to be some need for a differentiation between the two cases.

Mr. St. Laurent (Quebec East): Mr. Speaker, all transfers of military property require orders in council under the express terms of the National Defence Act. It is to comply with the express terms of the National Defence Act that there must be an order in council and there must be a decision that those items, whatever the amount may be, are not immediately required. The statute provides that they can then be transferred to another department for sale and that the proceeds of the sale can go into a special account under the consolidated revenue fund and may be used on requisition from the Minister of National Defence for replacement of what has thus been taken out of the stores of the Department of National Defence.

With respect to commercial transactions involving property that is not that of the government, the matter is governed by the Export and Import Permits Act, which authorizes the Minister of Trade and Commerce to issue export permits, and those matters are dealt with in conformity with the terms of those two statutes in question.

Mr. Drew: Simply to clarify the matter, Mr. Speaker, may I ask this question. In view of his explanation, when he states that this was not an order in council—which of course would be the decision of the government—but was a ministerial decision, may we take it that it was the decision of the Minister of Trade and Commerce?

Mr. St. Laurent (Quebec East): The final act was performed, as required by the statute, by the Minister of Trade and Commerce. The procedure preceding the final act performed by the Minister of Trade and Commerce was described by the Secretary of State for External Affairs in his speech a week ago in the debate on the address in reply to the speech from the throne.

[*Later:*]

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Prime Minister (Mr. St. Laurent) a supplementary question arising from the interesting statement he made regarding the issuing of ministerial orders. I want to ask about the order on July 7 touching upon the matter of the export of the Harvard planes. Is the order after approval by the cabinet on that date sealed by the governor general or merely signed by the clerk of the privy council?

Mr. St. Laurent (Quebec East): No, it was not an order signed by His Excellency the Governor General, and it was not an order of the cabinet. It was a ministerial decision taken in the manner described by the Secretary of State for External Affairs after consultations between the departments of external affairs, trade and commerce and national defence.

Mr. Diefenbaker: Does the cabinet approve of it after the ministerial recommendation?

Mr. St. Laurent (Quebec East): No. The cabinet is responsible for all these matters, but there was no express approval given by the cabinet as a whole.

Mr. Diefenbaker: Then is this clear? This matter—

Some hon. Members: Order.

Mr. Diefenbaker: Is this clear, then, that the order permitting the export of these Harvard planes did not come before the cabinet on July 7 or in the latter part of June?

Mr. St. Laurent (Quebec East): No, it did not come before the cabinet.

Mr. Diefenbaker: Then we have a revised version.

VIET NAM ARMISTICE AGREEMENT—REFERENCE TO REPORTED INVITATION TO EXPRESS VIEWS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Will the minister, either now or in his address later this afternoon, comment on the report that Britain and Russia have invited the views of ten other countries, including Canada, on ways of ensuring the fulfilment of the Viet Nam armistice agreement?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to give me notice of this question and I think probably it would be better if I dealt with it now. The reply is as follows.

In its fourth interim report the international supervisory commission in Viet Nam pointed out that the co-operation being extended by the parties to the commission was unsatisfactory. The commission asked the co-chairmen to consider this problem and the United Kingdom and Soviet foreign ministers, the two co-chairmen under the Geneva conference arrangement, have requested the views of the members of the Geneva conference and the commission powers on this somewhat difficult problem. So far as I know the Chinese reply is the first one to be made to the co-chairmen. I would expect that the co-chairmen would wish to wait until they had received replies from other governments before trying to decide what would be the right course of action to take in the circumstances.

Canada, of course, is not a member of the Geneva conference on Indo-China, but was invited at the end of it to serve on the international supervisory commissions together with India and Poland. Our position is therefore somewhat different from that of the members of the Geneva conference, but we are at the moment considering the views that we should send on this matter in reply to the letter from the co-chairmen. There may be an opportunity later in the session or before the committee on external affairs to make those views public.

SHIPMENT OF MILITARY EQUIPMENT TO SENSITIVE AREAS

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I ask the Secretary of State for External Affairs if he has an answer ready to my question of six days ago concerning a shipment of military equipment to 34 sensitive areas.

Hon. L. B. Pearson (Secretary of State for External Affairs): Yes, Mr. Speaker; I have been waiting for some time to answer this question—

Mr. Fulton: Not as long as we have been waiting for the answer.

Mr. Pearson: —and will now do so after the intervention of the week end and a day. Some military equipment has been supplied to a number of politically sensitive areas during the last two years, but only after very careful examination in every case, and in accordance with the control procedures I outlined in my statement last Tuesday.

The total value of permits issued during those two years for the export of military equipment to all of the 34 areas, exclusive of the Middle East for which I have already given the figures, is about $2,249,000. More than half this amount represents defence equipment for commonwealth countries and colonial territories of the British Empire with which we have close and friendly relationships but which, because of threats to their security from outside their borders, we consider to be sensitive areas and therefore requiring careful consideration in respect of arms shipments. It would not be proper for me, Mr. Speaker, to disclose the names of the countries on this list because of the repercussions it might have on the position of friendly countries and their relations with us, and because it would reveal our confidential appraisal of the political and military situation in various parts of the world.

I shall, of course, be glad to disclose the list privately to any member of parliament and to give all details concerning it. Public disclosure, however, would be contrary to the public interest, as I am sure all hon. members will agree.

CANADIAN BREWERY ADVERTISING OVER UNITED STATES RADIO AND TELEVISION STATIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Is the minister aware of the fact that Canadian brewery advertising beamed at Canadians is permitted over United States radio and television stations in some border cities? Will he consider drawing the attention of the United States authorities to the fact that this is contrary to our own C.B.C. code and in violation of some of our provincial statutes?

Inquiries of the Ministry

Hon. L. B. Pearson (Secretary of State for External Affairs): I shall be glad to look into the matter.

THE VICTORIA CROSS

INVITATION TO CANADIAN HOLDERS TO PARTICIPATE IN ONE HUNDREDTH ANNIVERSARY

On the orders of the day:

Mr. H. A. Hosking (Wellington South): Mr. Speaker, I wish to ask a question of the Minister of Veterans Affairs. Is the government considering sending Canadian war heroes who have been awarded the Victoria Cross to England so they might accept the invitation of Her Majesty the Queen to be present at ceremonies in London next June to celebrate the one hundredth anniversary of the awarding of the Victoria Cross?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, as soon as the intention of Her Majesty the Queen was made known to invite Canadian V.C. winners for the one hundredth anniversary celebration in England in June of this year, I instructed that a committee should be set up composed of personnel of the Department of National Defence and the Department of Veterans Affairs for the purpose of gathering all the information concerning these ceremonies. This committee is now sitting and obtaining this information. As soon as it is available the matter will be submitted to the cabinet.

FISHERIES

SALMON—REPORTED RECOMMENDATION TO CLOSE STRAIT OF JUAN DE FUCA

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the parliamentary assistant of the Minister of Fisheries, of which I have given him notice. Has any report been received from the international salmon commission meeting at Seattle a week ago which, according to the press, has recommended the closing of the strait of Juan de Fuca?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): I made inquiries this morning, Mr. Speaker, and I was advised that the official report of the secretary of the last meeting of the commission held in Seattle has not yet been received.

Mr. Pearkes: As a supplementary question, may I ask the parliamentary assistant to report to the house as soon as he does receive the report from the commission, in order to obviate the necessity of my repeating the question daily?

[Mr. Knowles.]

Mr. MacNaught: I assure the hon. member for Esquimalt-Saanich that as soon as the report has been received and digested a report will be made to the house.

GRAIN

INQUIRY AS TO REPORTED SALE TO POLAND

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce. Would the minister comment on the week-end Canadian Press dispatch in connection with the sale of wheat to Poland? Would the minister indicate the number of bushels involved in this deal and how the amount compares with what was sold in 1955?

Right Hon. C. D. Howe (Minister of Trade and Commerce): It has been a well known rule of the department not to answer questions on current wheat transactions. My hon. friend could ask me today how many bushels we have sold to Poland, and tomorrow how many bushels we have sold to the United Kingdom, and following that how much to Germany, thus telling our competitors our exact position in every market, which obviously would destroy our ability to sell wheat.

However, there is a particular point in the sale to Poland. Although it was a cash sale so far as the board was concerned, it was insured for 85 per cent of its value by the Export Credits Insurance Corporation. The deal to which the hon. member refers is only one of several. It was for 100,000 tons of wheat and was completed yesterday.

There was a deal last summer in which 250,000 tons of wheat were sold to Poland, and that sale was also insured. There were several sales made for cash which I would not care to report to the House of Commons, in accordance with our usual custom. Each individual transaction is only one transaction. The relation between two transactions means nothing. Poland may come along and buy some more wheat for cash next month, and very likely will do so. I think I have given my hon. friend the information he is seeking.

WHEAT—REPORTED SALE BY UNITED STATES TO IRON CURTAIN COUNTRIES

On the orders of the day:

Mr. H. R. Argue (Assiniboia): As a supplementary question, is the Minister of Trade and Commerce aware that President Eisenhower has recommended that United States wheat be made available to communist countries, and has the President's proposal had any effect at all on sales of Canadian wheat?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am not aware of the fact that there is any news in the report that President Eisenhower plans to sell wheat to iron curtain countries. We are selling wheat to iron curtain countries. What is the significance of my hon. friend's question?

SIZE AND DISTRIBUTION OF DELIVERY QUOTAS

On the orders of the day:

Mr. H. R. Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce, regarding the size and distribution of grain delivery quotas. Could the minister inform the house as to what progress is being made in raising the delivery quotas for grain? Also, when will sufficient box cars be available so that all points still on the initial quota can be given a quota of at least one bushel per specified acre?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, my department has prepared a detailed answer to that question.

Good progress is being made in increasing delivery quotas following the tight situation that existed last fall. This progress can be judged by comparing the delivery quota position as at December 1 and the position today. On December 1, the position was as follows:

Initial unit quota	1,412	delivery points
One bushel per specified acre .	427	" "
Two bushels per specified acre	185	" "
Three bushels per specified acre	47	" "

Today the over-all position is as follows:

Initial unit quota	252	delivery points
One bushel per specified acre .	991	" "
Two bushels per specified acre	640	" "
Three bushels per specified acre	184	" "

Hon. members will note that since the winter set in, exactly 1,160 delivery points have been moved from the initial unit quota basis to higher delivery quotas. On December 1 less than 32 per cent of delivery points in the prairie provinces were on a basis of general quotas of one, two, or three bushels per specified acre. Today close to 90 per cent of delivery points have a general quota of one, two, or three bushels per specified acre.

The general easing of delivery quotas since December 1 has enabled producers to deliver about 50 million bushels of grain. This has been accomplished without very much change in the space situation at either Fort William-Port Arthur or Vancouver. There is still a moderate amount of space at Pacific coast ports and a substantial amount of space at the lakehead available for country elevator shipments. This is the problem with which the railways are grappling. They not only want to fill available storage space at the Pacific coast and the lakehead, but also to supply the quantities of grain needed in these positions to look after current shipments.

During the last week carloadings by the two railways have averaged 867 cars per day. This is a distinct improvement, and I hope this improvement will continue. It must continue if we are going to meet our export commitments and fill space currently available at the lakehead and Vancouver by shipments from country points. It goes without saying that if the railways are successful in their present program of increasing grain shipments, no time will be lost in increasing delivery quotas at country points.

The board is continuously reviewing the quota position at the 252 points still on the initial unit basis. The board expects to get these points on a general quota basis at a very early date.

HOUSE OF COMMONS

SUGGESTED NEW CONSTITUTIONAL STATUS OF PARLIAMENT

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, may I direct a question to the Prime Minister, of which I gave him verbal notice yesterday. Is there an indication of a new constitutional status for parliament contained in the legend on the outside of a publication of the Department of Labour called *Labour Publications,* which describes itself as follows:

> A price list of the publications of the Department of Labour and publications relating to labour issued by parliament and other agencies of the government of Canada.

Mr. Diefenbaker: They might as well be frank about it.

Mr. Macdonnell: I am not a constitutionalist, Mr. Speaker. I have understood the government has sometimes been called an agency of parliament, but this is the first time that I have ever seen the reverse suggestion.

Right Hon. L. S. St. Laurent (Prime Minister): It is an unfortunate error that was made in the title of the publication. It is a publication which contains the orders in council which were made under acts of parliament, and those are the papers referred to.

Mr. Macdonnell: Can we be assured, then, that we are at least as high as the other agencies?

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO RE-EMPLOYMENT OF EMPLOYEES IN NEWFOUNDLAND

On the orders of the day:

Mr. L. T. Stick (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Transport, or in his absence to the parliamentary assistant. Can the minister give any assurance that the 168 employees of the Canadian National Railways in Newfoundland who have received notice of termination of employment will be re-employed in some other capacity; and what rights have they regarding pension? I did not give notice, but the hon. member may take this as notice.

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): May I take this question as notice?

NATIONAL DEFENCE

INQUIRY AS TO FURTHER ORDERS FOR CF-100 AIRPLANES

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, may I direct a question to the Minister of National Defence. Can the minister inform the house whether it is the government's intention to continue placing orders for the construction of CF-100 airplanes?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, the hon. member was good enough to give me notice of this question. His question deals with the intentions of the government. I am sure my hon. friend is aware of the fact that the intentions of the government are not made known until policy based thereon is formulated and effect is given to those intentions. That is a time-honoured practice.

Mr. Cameron (Nanaimo): May I ask a supplementary question? Can the minister inform the house whether it is true that the Royal Canadian Air Force is now fully equipped with those airplanes, and that any further production will have to be stockpiled?

Mr. Campney: The answer is no.

LONG BRANCH—INQUIRY RESPECTING DEMOLITION OF SHACKS

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, here is another question, also on behalf of the hon. member for York South (Mr. Noseworthy), notice of which I think he had sent to the Minister of National Defence. The question was asked on January 25, and the answer was to be given on Friday or today.

[Mr. Macdonnell.]

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, on January 25 the hon. member for York South, whose absence because of illness I am sure we all regret, asked the following questions:

> Has the Department of National Defence ever ordered the demolition of the shacks on its property at Long Branch, Toronto? If so, have these orders been carried out? If not, why not, and what use is now being made of these shacks?

I take it that the hon. member was referring to certain wartime buildings on the Long Branch rifle range property still being used as civilian emergency housing by the city of Toronto.

According to our records, the Department of National Defence has had no jurisdiction over these buildings since they were declared surplus in 1946-47, at which time the crown assets allocation committee allocated them to the department of reconstruction and supply to be made available to Central Mortgage and Housing Corporation for emergency shelter.

I am informed that shortly after that date the city of Toronto by arrangement with Central Mortgage and Housing took over the buildings, and I am further informed that the city of Toronto still holds them. In any event these buildings have not been under the jurisdiction or control of the Department of National Defence for almost 10 years; consequently the department has not ordered their demolition, nor has it in fact any right to do so.

FINANCE

REQUEST FOR REPORT OF CARTER COMMITTEE ON SALES TAX

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): May I direct a question to the Minister of Finance? May I ask whether the report of the Carter committee on the sales tax has been received? If so, when will it be available?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I have received the report. We are studying it now, and it may be that I shall table it on the occasion of the budget presentation.

HOUSING

ST. CATHARINES—REPOSSESSION OF HOMES OF MEN ON STRIKE

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, my friend the hon. member for York South asked me if I could obtain today an answer from the Acting Minister of Public Works to a question of which my hon. friend had sent the minister notice.

Is it the policy of Central Mortgage and Housing Corporation to repossess the homes of men on strike at St. Catharines who, because of the strike, have been unable to meet their payments? If so, how many orders for repossession have already been issued?

Hon. Roch Pinard (Acting Minister of Public Works): Mr. Speaker, in the absence of the Minister of Public Works may I say that I already have some information, but I prefer to delay the answer until tomorrow in order to make it more complete. I will take this question as notice and try to get complete information for tomorrow.

POST OFFICE DEPARTMENT

REGINA—PROTEST RESPECTING LIQUIDATION OF CHRISTMAS OVERTIME

On the orders of the day:

Mr. Claude Ellis (Regina City): I should like to direct a question to the Postmaster General. Did the Postmaster General receive during the past month a resolution passed by the association of Canadian postal employees, Regina branch, protesting the liquidation of overtime accumulated during the Christmas rush? If so, what consideration has the department given to these representations?

Hon. Hugues Lapointe (Postmaster General): Mr. Speaker, a number of representations have been received during the course of the last month. I might point out to my hon. friend that a similar question was put to me on January 20 and the answer appears in *Hansard* of that date.

At that time I pointed out that the method of compensating for overtime work in the Post Office Department was determined by an order in council which is applicable to employees in all departments, so it is not solely a question of post office regulations.

ROYAL CANADIAN MOUNTED POLICE

BRITISH COLUMBIA—DISCIPLINARY ACTION FOLLOWING BEATING OF PRISONER

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): On Friday last the hon. member for Kamloops (Mr. Fulton) asked if I would inform the house of the exact situation with respect to two members of the Royal Canadian Mounted Police whom he identified in his question. I think perhaps the most satisfactory way for me to do this is to remit to the Clerk of the house, pursuant to standing order 40, a full report which I received from the commissioner of the mounted police on August 25, 1955, concerning this matter.

MEAT

BEEF—INQUIRY RESPECTING PRICE SUPPORT

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house what steps are being taken to bring beef prices under the Agricultural Prices Support Act in order to establish fair prices to the producers?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for having notified me of his question.

The fact is that the best prices that can be obtained for beef cattle, as far as we know, are to be obtained in the United States. There is no great difficulty in shipping cattle there, and we have always considered that price as being a suitable floor price for cattle from Canada. They can be shipped there at any time. We discussed that matter fully, a year ago, with the federation of agriculture, and when the federation made its requests at Edmonton in January of last year it omitted beef cattle from the list of products that should have support prices.

HOGS—ALLEGED PURCHASE BELOW FLOOR PRICE

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister account for the fact that grade A hogs have been purchased recently at stockyards in Saskatchewan at less than the government guaranteed floor price of $19 per hundred pounds?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member gave me notice of this question. I must say that I cannot agree that it is a fact. He asks:

> Can the minister account for the fact that grade A hogs have been purchased recently at stockyards in Saskatchewan at less than the government guaranteed floor price of $19 per hundred pounds?

In the first place, there would be great difficulty in determining whether or not a hog purchased at the stockyard was a grade A hog. The grading is done when the hogs are hung up after having been slaughtered. So an individual might question whether he received the right price at the stockyard for a hog, but if he does question it all that involves is that the hog is purchased subject to grade when the hog is hung up. Under those circumstances he would be paid for grade A, no matter what price he was offered at the stockyards.

There is, of course, a possibility of one individual selling a hog to another. It might

be sold to a butcher, or to someone else. There might be some question in the mind of the person selling it as to whether he had obtained the price for the hog at the grade he thought it might reach if it went to some plant, but if it can be established that a hog is grade A the floor price is there for him to obtain any time he wishes. Provision is made at all the markets in Saskatchewan for the purchase to be made at the floor.

Mr. Bryson: Mr. Speaker, I should like to assure the minister that these hogs were purchased at less—

Mr. Speaker: Order.

Mr. Bryson: I have a receipt here that I should be glad to show the minister to prove it.

Mr. E. G. McCullough (Moose Mountain): I should like to ask the Minister of Agriculture a supplementary question. When, as the hon. member for Humboldt-Melfort indicates, the producer does get a lesser price than the floor price established at the yards—

Mr. Speaker: Order. Would the hon. member be good enough to put his question.

Mr. McCullough (Moose Mountain): My question is, what procedure does the farmer follow to recover his loss when he has received less than the floor price for his hogs?

Mr. Gardiner: When the hogs are graded at the packing plant the government pays a premium on grade B hogs, and it pays a higher premium on grade A hogs. Therefore all these certificates eventually pass government graders or the individual does not receive his premium. In any case where the matter is brought to the attention of the Department of Agriculture the officials see to it that the proper price is paid and, of course, the farmer will not settle until he gets his premium and all the rest of it. That is all checked. The proper procedure is for the farmer or anyone receiving the certificate from the farmer to immediately send it to the prices board.

[*Later:*]

Mr. Bryson: Now that the Minister of Agriculture has had an opportunity to look at the document to which I referred, has he any explanation to offer?

Mr. Gardiner: Mr. Speaker, it would appear from this slip—I am not too sure that I can read the figures on it after the handling it has had—that there is a possibility the figure for the A grade is $18.75 and for the B1 grade $17.75. If those are the actual prices that were received I think they would be 25 cents under the floor, in both cases. The fact remains, however, that there must have been some difference of opinion between the individual who shipped the hogs and the buyer at the stockyard as to grade, and all my hon. friend or any other person in that position need do is send the slip to the Department of Agriculture and it will be dealt with at once.

An hon. Member: You have it now.

Mr. Gardiner: It could have been done much quicker and the man could have had his money much sooner if it had been properly done. This matter is simply brought here for the purpose of trying to make political capital out of it. If my hon. friend or any other member of the C.C.F. party wishes to get a settlement for a farmer in connection with any such matter, all he need do is to send the slip to the department and the matter will be settled in short order.

PUBLIC SERVICE

REPORTED INCREASE IN SALARIES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. Are the reports correct that shortly there will be a general increase in civil servants' salaries? Will the government at the same time increase the pensions of retired civil servants, particularly those in the lower and middle brackets?

Hon. W. E. Harris (Minister of Finance): As usual, the Minister of Finance and his department are considering the wage scales of the civil service. We have been doing so for some time and will continue to do so until we reach a decision, which will be announced in the house if the house is sitting.

Mr. Knowles: Will the minister answer my second question?

Mr. Harris: I answered it last week, but if the hon. member wants another answer the answer is the same this week.

TRADE

CANVAS SHOES—REPORTED CLOSING OF FACTORY BECAUSE OF DUMPING

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to address a question to the Minister of Trade and Commerce or the Minister of National Revenue. It has reference to an article in last night's paper indicating that a firm in Kitchener is closing down and going

out of business on account of the dumping of canvas shoes in Canada. In view of the fact that the government is acquainted with what the situation was last year, and the increased dumping this year is 126 per cent over last year; in view of the fact that these shoes are made by cheap labour in Hong Kong—

Mr. Speaker: Order.

Mr. Hodgson:—what is the government going to do about it?

HOUSE OF COMMONS

QUESTIONS TO BE ASKED ON THE ORDERS OF THE DAY

Mr. Speaker: Now that the house is in a very good mood, may I be permitted to point out that the rules regarding the asking of oral questions on the orders of the day are exactly the same as those which apply to questions asked on the order paper after notice. May I ask hon. members to look periodically—in fact, I would say every day—at citation 295 of Beauchesne, third edition, which gives a list of the type of questions which my predecessors have ruled out of order from time to time over the years. Many interesting examples are given which are very much to the point. I would ask hon. members, and members of the cabinet as well, to look at the list; and I would urge hon. members not to ask this type of question, and I would ask the ministers not to answer this type of question.

WAYS AND MEANS

Hon. L. B. Pearson (Secretary of State for External Affairs) moved that Mr. Speaker leave the chair for the house to go into committee of ways and means.

EXTERNAL AFFAIRS

Mr. Pearson: Mr. Speaker, this motion will give the house an opportunity to discuss international affairs, and it gives me the privilege of introducing that discussion. I realize that in the time I can appropriately take in a debate of this kind there will be many important questions in international affairs with which I will not be able to deal. I hope, however, that when the time comes for me to close the discussion I will be able to answer questions that may be raised subsequently and which I have not dealt with in my opening statement.

One subject I will not touch on in this speech, because I attempted to deal with it last week in the debate on the address, is Middle East policy. If any questions are raised in this debate dealing with the policy that should be followed in that area in the preservation of peace—and, after all, that is the thing that matters—or in respect of the administration of that policy, I would hope to deal with them again when I wind up the debate.

I will also not be able, in this discussion, to touch on the work of the United Nations or more particularly the work of the recent United Nations assembly. I hope there will be an opportunity before long for my hon. friend the Minister of National Health and Welfare (Mr. Martin), to deal with the work of that assembly to which, if I may say so, he made such a distinguished and constructive contribution.

I would also have liked to report in some detail, and I hope to do so as soon as possible when the opportunity presents itself, either here or in the committee on external affairs, on the recent ministerial meeting of the Colombo plan countries at Singapore. It was a most successful and inspiring meeting, a meeting of especial significance because it was held in a colony now on the threshold of self-government, a secure freedom and a self-government achieved by evolution which would have been impossible under a communist form of government, which makes some of the allegations of recent communist travellers in that part of the world sound pretty ridiculous.

After that conference in Singapore I had the privilege of seeing the Colombo plan in action in India and in Pakistan, where my colleagues and myself were received by the governments of those two countries with very great kindness and were given a very sincere welcome.

After this opportunity of seeing it in action I returned more convinced than ever of the value of the Colombo plan based on friendly co-operation without political pressure and justified now by performance. Promises are no longer needed for that purpose. It will have been noticed by the house that the government intends to recommend to parliament a substantial increase this year in our contribution to the Colombo plan, namely an increase of almost 33⅓ per cent. That increase will not quite meet the figure advocated last year by my friend the hon. member for Prince Albert (Mr. Diefenbaker) who had urged us to double our contribution, but it is a substantial increase and I hope it will be voted by parliament.

I should also, Mr. Speaker, say at least a word about the work of the armistice commissions in Indo-China, which was referred to earlier in the sitting this afternoon. In that area of the world Canadians continue to make an important contribution to peace

through their work with these commissions. Our men—there are some 170 of them in that area, mostly from the Department of National Defence, members of the armed forces—have discharged their extremely difficult and trying duties with great credit to themselves and to their country. In one of the countries there, namely Cambodia, we have reached the winding-up stage of the commission, and we have been able to reduce the strength of that commission. Elections have been held in that country, and as a result the commission and its members can leave Cambodia with the satisfaction which they must feel at the stability which has been achieved in a country so recently a victim of war.

In Laos, one of the other countries, the situation is not so good. Elections have also been held there, but the communist Pathet Lao forces, which are grouped in the northern provinces of that country, have refused to accept the Laotian government or the authority of that government and to take part in the election. Hence no reduction there has been found possible either in the numbers of the commission or in its activities up to the present time.

So far as Viet Nam is concerned—and that is probably the most important of the three countries—the military phases of the armistice work have been completed and with little disturbance. I think the commission deserves a good deal of credit for that result. The political aspects, however, present a less satisfactory picture. Little progress has been made in that country toward the national elections visualized by the Geneva conference, and which are scheduled to take place in July of this year. If they do not take place it is hard to say what effect that failure will have on our obligations in the commission.

This work in Indo-China is arduous and difficult, as I have said, and it imposes a heavy burden on the armed forces of our country and upon the Department of External Affairs. We are most anxious to complete it at the earliest possible date. Nevertheless we shall not abandon that work so long as we are convinced that it is making an important contribution to peace.

I should also, Mr. Speaker, say a word about a problem which is very much in our mind these days, namely that of the legal recognition of the communist Chinese government in Peking. One of the most difficult questions which face this country and many other countries is that of determining our relations with the two rival and bitterly hostile governments of China. It is not as simple an issue to decide as some seem to think. There is more than one factor to take into account before any decisions can wisely be taken. Such a decision requires a careful balancing of many national and international factors, moral, political and economic.

Some time ago, Mr. Speaker—indeed, last summer—I expressed the view that we should have another look at this question in the light of the cessation of hostilities in Korea and in Indo-China, in the light of the situation in and around the Formosa straits and in the light of the recent policy of the Peking government in so far as it is possible to determine it. We have made this re-examination and we feel that the careful policy we have been following, and are still following, has been the right one; rejecting on the one hand immediate diplomatic recognition but rejecting on the other hand the view that a communist regime in Peking can never be recognized as the government of China.

The arguments for and against recognition of this government have more than once been discussed, and in detail, in this house, and I do not intend to repeat them at this time. I wish merely to state as briefly as possible the considerations which determine our policy as a government in this matter.

The first consideration is the interest of our country, remembering that the paramount interest of us all is international peace and security. In addition, we are obliged to give consideration to the interests and views of our friends and allies, some of whom are even more directly involved than are we in the consequences of diplomatic recognition. It is also important, Mr. Speaker, not to confuse recognition with approval. There are, of course, moral considerations involved and, in the case of a ruthless communist regime, these considerations inevitably must have a bearing on our attitude. But the decision remains predominantly a political one to be taken on the basis of enlightened self-interest, as in many other cases where we have recognized totalitarian regimes.

It should not, however, be assumed that Canadian recognition of the Peking government—even if it were to be granted at some time in the future—would extend to the island of Formosa. As we see it, the legal status of Formosa is still undecided and no step taken vis-à-vis the communist regime should prejudice that issue. In particular, we would not be a party to any action which handed over the people or the government on Formosa, against their will, to any mainland government, let alone to a communist Chinese government.

We condemn the cruelties and tyrannies of the Peking regime, and we continue to hope

that the Chinese people will one day be governed by a more enlightened government of their own choice.

But, Mr. Speaker, we must accept the fact of communist control of mainland China. That is one thing we cannot fail to recognize, with the corollary that in certain circumstances and in our own interests we may be obliged to deal—as we already have been obliged to do—at Geneva and elsewhere with that government in respect of certain problems which cannot be solved without it. Nor should we, I suggest, base our policy on the likelihood of the nationalist government of Chiang Kai-shek returning to power on the mainland. Furthermore, the anomaly of that government representing China at the United Nations, with a veto that can block any action desired by 52 other members, is becoming increasingly apparent. I believe also that we should accept no commitment to intervene on behalf of the nationalist government in the struggle for the Chinese offshore islands. Our view on this matter has already been made clear in this house, outside this house and in the United States.

As for Formosa, the only commitment—and this also has been stated in the house—we have is that which might arise out of our obligations under the charter of the United Nations. So far as diplomatic recognition is concerned, we should from time to time review the position in the light of conditions; of our own interests and of the views of our friends and allies. However, I believe we should not get ourselves into such an inflexible position that a change in policy, if it were considered to be wise and necessary, could be brought about only with maximum difficulty.

Mr. Speaker, I should like to express one further thought on this subject. We are all concerned, and rightly so, that the utmost in good judgment be applied to this complicated and controversial problem of legal recognition. As I see it, however, we must not let it distract us so much that we ignore the longer term issues which are raised by communist China's emergence as a new and powerful force in the world. The consolidation and growth of Chinese power under communist rule which is now taking place may be historically as important an event as the Russian revolution of 1917. The implications for us in China's determined drive to achieve military and industrial might and a position as a world power may be as far reaching as similar developments which have taken place in Russia. Indeed, one day in the future these two revolutionary forces may clash. It may now seem to us to be of great importance to recognize or not to recognize the communist regime in Peking. It is of far greater importance to recognize that a revolution of cataclysmic force has taken place in China as a fateful part of the emergence of a modern awakened Asia.

Now, Mr. Speaker, I should like for a few moments to make a report, if I may call it that—and I am afraid it will not be a very adequate one because of considerations of time—on my recent visit to the Soviet union. You will remember that this visit, and it was an encouraging thought for me, was made with the approval of all parties in this House of Commons. I am quite aware of the fact, as I have said before, that one can acquire in a brief official visit only impressions. Those impressions can be misleading, but they can be valuable as a check on studies that have already been made, and as a check on the experiences of others. They can also be valuable if your visit brings you into contact, as mine did, with the top rulers of the country. Therefore it may be that the impressions I brought back, though I give them without any feeling of certainty or dogmatism, may be of some value.

So far as the people of this powerful country are concerned, they showed us a hospitality, a kindness and courtesy which I have great pleasure in acknowledging. This, of course, reflected the traditional hospitality and kindness of the Russian people, and it has little, if anything, to do with their form of government. They seemed, in so far as we were able to determine it, to have a pride in the achievements of their state. They seemed to have a fear of war, and there is no reason why the people of that country should not have a fear of war. No other people in the world have suffered more from war than they have. But they also seem to have an ignorance of the world outside which is frightening indeed.

One gets the impression also that there has been a relaxation of tension inside the country. The long-range importance of that may be considerable. It is true that that kind of relaxation can be turned on and off easily by the governing group, even by an editorial in *Pravda*. It would be unwise, therefore, to draw any far-reaching conclusions from such a development. I had an abiding impression when I left of great strength, great power, great richness, a state of collective power and collective riches alongside individual deprivations. But I think it is correct to say that the latter is decreasing, and bread and circuses are increasing. I think it is also right to say that the former, the collective power, is also increasing. We would be making a great mistake if we underrated that development.

That country, Mr. Speaker, is harnessing education and science, propaganda and power to communist imperialism.

The Russian regime, which embodies this communist imperialism, is achieving a strength, a solidity, a dynamism that is impressive—indeed, it is frightening. Their plans to increase this are even more impressive. Let us not deceive ourselves, if anyone still does, by thinking that they are a beaten, lifeless people in an ox-cart civilization. It is true that many of the comforts to which we are accustomed are missing, but this does not seem to either weaken or worry them. To them plumbing is not as important as plutonium; ease is not as important as engineering; man is only material for management. There is no obvious sign, Mr. Speaker, that they resent these things. Those who do, no doubt, are in jail or in concentration camps.

So far as the government of the country is concerned, as the house knows, one man has now been succeeded by a group. Of that group, two men seem to be in the ascendancy, two men who are in startling contrast to each other in so many ways but who seem to work very closely together indeed. These two men in the conversations I had with them profess, and I underline the word "profess" because it has sometimes been left out of the reports which have been previously ascribed to me on this matter, to have no other desire than peace and further relaxation of tension.

Indeed on this trip, Mr. Speaker, we heard much talk about peace. It was the first Russian word I learned, and it was the last one I heard as we took off from the Crimean airport. This peace talk, this peace cry, may well be genuine when it is uttered by the people, but that is not important unless it can influence the policies of the leaders of the people and there is not so much evidence of that. Mr. Khrushchev's idea of peace, and he made no secret about it when he talked with me, is illustrated by his determination to break up NATO as an aggressive organization, so he claimed, aimed at Russia and therefore a threat to peace. I, of course, argued with him long and loudly on this matter, but I have some doubt whether I made very much impression.

I feel, however, that he wishes to break up NATO primarily because, in his professed view, it is an agency of aggressive United States policy. The United States is the culprit. Similarly with Germany; he fears it I believe chiefly as a member of NATO and as such, in his view, an agent of the United States. He was not interested in my argument that a Germany armed and outside NATO might be a far greater danger to the Soviet union than a Germany that was one of 15 countries, with limited arms and under collective control inside NATO. Mr. Khrushchev also seemed worried that the Russian initiative, as he would put it, in relaxing tension might be interpreted in the west as a sign of weakness or even of crisis at home. He frankly admitted they were having difficulties, especially in agricultural production, but he became almost violent in denying any weakness or any crisis.

He went on to assure me that the Soviet union was never stronger, and if anyone dared to begin a war with them the Russians would finish it. He talks with an easy assurance on these matters that amounts almost to arrogance. My own view for what it is worth is that the leaders of the Soviet union do want what I call a peaceful interlude, and for a variety of reasons. Among others, as Mr. Khrushchev has candidly admitted, in a more peaceful atmosphere the democracies—he thinks their people are soft and undisciplined, that freedom is licence and will be their undoing—will not accept the sacrifices that prolonged defence preparations involve and will fall apart in their coalitions, especially in NATO.

Communists, he assured me, could stand up to effort and sacrifice far better than we could. They were tougher and more patient, and therefore communism would be superior to capitalism in peaceful but competitive coexistence. He was supremely confident, and expressed that confidence on a good many occasions, that communism will conquer in this kind of competition.

Our hosts, Mr. Speaker, expressed a very high regard for Canada. Those expressions may have been more calculated than spontaneous; nevertheless I think they have a real respect for our country, not only because of our efforts and sacrifices in war, but also because we have tried to be objective and internationally useful in peace and are nobody's tool. They are, of course, pretty obvious in their efforts to distinguish us and ultimately detach us from our southern neighbour, and their insistence that we have a northern neighbour as well was not as reassuring, at least to me, as they tried to make it sound. But when I emphasized, as I did, the bonds of friendship between the United States and Canada, or tried to say a good word for the United States, they at least listened politely. Similarly when we opposed certain of their suggestions, as we had to do, that the trade treaty which we were discussing should be concluded at once in Moscow, or that certain phrases or ideas should be included in the communiqué which

we thought might be misinterpreted in Canada—when we took that position of opposition they took it in good part and did not press us too hard.

I think the visit was worth while for us who were privileged to undertake it. Apart from any concrete advantages that may possibly arise out of it in the way of trade, or in the way of scientific and technical exchanges, or in getting information out of Russia in regard to relatives of Canadians, in addition to those concrete advantages if they should come about I think as the result of a visit of this kind one is in a better position to appreciate and understand the sources of soviet power and the nature of soviet policy.

Whatever was gained in this respect was accomplished, I can assure you, Mr. Speaker, without misleading them as to the views and policies of Canada and her friends. Indeed, having heard from Mr. Khrushchev soviet views stated with great force and with great frankness, I was encouraged to reply in kind. They may not, as I have said, have made much of an impression on him or on his colleagues; but at least they know, I hope, a little more about our views; that the west, in the United Nations or in NATO, is not and will not become aggressive or warmongering and is as vitally concerned, as they told me they were, with peace, security and the removal of causes of war. I hope they realize also that I was right when I said we were not going to throw away NATO merely because of doses, large or small, of the Geneva spirit.

Mention of the Geneva spirit brings me to the question, where are we today in respect of the relaxation of tension which we hoped had been initiated at the Geneva conference last July, and which we hoped would continue and indeed would show concrete results in policy. Hon. members will recall the feeling of optimism that was developed at the summit meeting, as it is now called, at Geneva last summer. It may well be that hopes at that time were too high and that thinking was too wishful. I remember, along with others, taking that view in this house in the discussion we had on July 23 last year. At that time I, along with a good many others, felt that the real test of the reality and importance of the Geneva spirit was to be the foreign ministers' meeting which was called for November in an effort to achieve some of the objectives of the summit meeting.

We now know that the result of that November meeting was almost 100 per cent negative. We learned at that time that soviet words differed from soviet deeds, and that soviet tactics were not the same as soviet policy. As hon. members will recall, as a result of that foreign ministers' meeting in Geneva in November, not a single basic objective of soviet policy was changed.

What are those objectives? I believe myself, Mr. Speaker, that the fundamental objective of soviet policy, the long-range one, is security for the Soviet union and the triumph of communist ideology in a world of communist states controlled and dominated by Moscow, I believe this objective remains unaffected either by relaxation or by increases of tension. The cold war in that sense goes on, and I suggest it is misleading to think of the cold war in any other terms.

This was very well put in an editorial in *The Economist* magazine last November, which reads:

> "Cold war" is an even more misleading phrase than most of the monosyllabic slogans that headline writers love. It is commonly identified with such rudeness and crudeness as the Russians practised until lately. For those who make this over-simple identification, the "cold war" presumably ended when Vishinsky's diatribes gave place to Mr. Khrushchev's waggery, . . . "Cold war" in that sense need not now return, and it probably will not . . . But the phrase "cold war" was originally coined with reference not to a form of etiquette but to a policy—the policy of "struggle", to borrow a communist keyword. This "struggle" is basically a contest for power over men's minds, a political contest in which economic and military pressures are auxiliary. The "cold war" in this deeper sense never ended, and can never end while the communist rulers cling to their aim of worldwide victory. All that can change is the tactics employed, both by them and by the nations that are ready to defend their liberty.

These, Mr. Speaker, are very wise words indeed. But tactics, even on this interpretation of soviet policy, have changed, and in one sense at least I think the change of tactics has effected a change of strategy, and in a sense that is very important indeed.

I believe myself, and I share that belief, of course, with many others, that the deterrent effect of the hydrogen bomb is now recognized in Moscow. It is now admitted there as in other places that hydrogen warfare means universal destruction, and it is now accepted in Moscow, as in other places, that a balance of terror has been achieved. No one, however, can take much comfort out of it as a solid foundation of peace.

I think, as I said a few moments ago, that the soviet leaders do want peace in the sense that they do not want atomic warfare, and that they will not deliberately provoke or risk that kind of war with the certainty of mutual destruction. Yet I add that in my view their policy is still conflict short of war that is what they mean, surely, by competitive coexistence; not friendly cooperation.

It is always wise, Mr. Speaker, to go to the soviet leaders' own words to get inside their

minds, especially the words they are aiming, not at their potential enemies outside but the words which they use for their own friends, their own people. In that connection, Mr. Stalin himself expressed what he meant by coexistence, and it is a definition that has never been disavowed by his followers, when he said:

> The limits of coexistence are set by the opposite characters of the two systems between which there is opposition and conflict. Within the limits allowed by these two systems, but only within these limits, agreement is quite possible.

Then, more recently Stalin's successor, Mr. Khrushchev, on September 17 last, in addressing an East German delegation in Moscow, said this, and these words are now pretty well known:

> We always tell the truth to our friends as well as to our enemies. We are in favour of a detente; but if anyone thinks that for this reason we shall forget about Marx, Engels and Lenin he is mistaken. This will happen when shrimps learn to whistle.

He went on:

> We are for coexistence because there is in the world a capitalist and a socialist system, but we shall always adhere to the building of socialism. We do not believe that war is necessary to that end. Peaceful competition will be sufficient.

That should be reassuring, Mr. Speaker, but it is not so reassuring when you try to analyse what is meant by the kind of competition which is referred to; competition under their rules, or under no rules. I suggest we must face the fact of their kind of competition.

Another objective which has not changed because of any Geneva spirit is to win over, subvert and eventually engulf the uncommitted millions of Asia and Africa. The recent visit of Soviet leaders to India is just one example of their determination to pursue their objective—a visit which I am sure did not deceive our Indian friends. Another example is the Soviet policy in backing Arab states militarily and politically.

This objective, I think, is fixed but here again their tactics are flexible. They are willing to either take the peace approach to the achievement of their objective or the force approach. Mr. Khrushchev is an outstanding example of the ability to use either tactic. In India he could pay pious if unconvincing tributes to Gandhi, the great apostle of pacificism, on one day and the next day boast that one of their hydrogen bombs could destroy an Indian city. The most important tactic of all in the achievement of this objective is, of course, to exploit and lead, if possible through local communist parties, the insistent demand for political freedom, racial equality and social betterment which exists in that part of the world today. They are having too much success in the achievement of that objective.

The third objective which I suggest has not changed, Mr. Speaker, is to weaken, divide and eventually destroy the North Atlantic Treaty Organization and drive the United States out of western Europe. How do they expect to achieve that? Well, there is the tactic of smiling away our fears so we will throw away our arms and our unity, to convince us that the Soviet union is merely a country of footballers, fiddlers and flowers.

There is another tactic, and that is the Soviet attitude concerning Germany and its relationship to NATO. This is specifically shown in the Soviet attitude toward the unification of Germany, where it is now quite clear that they will refuse to consent to that unification except on their own terms. And what are those terms, at least at the present time? Mr. Khrushchev said it was withdrawal from NATO. He told me that on more than one occasion, but I suspect that he told me only half the story and that Mr. Molotov told the other half at the Geneva conference. It became clear as a result of the statements he made at that meeting that even a Germany out of NATO, even a Germany neutralized and disarmed, would not be enough as the price for unification. The present Russian position goes further than that, and I think we can take Mr. Molotov's words at face value when he said there will be no unification unless the social and economic benefits of the Germans of the east are preserved.

That means there will be no unification unless all of Germany goes communist, and that means there will be no free election. Surely that has now become clear, and I suggest we should keep it clear, so there will be no difficulty in understanding what the position is.

Now, Mr. Speaker, this policy of the Soviet union in regard to Germany involves difficulties for the government and people of the Federal Republic of Germany. It is for that reason we all welcomed the searching examination which was given to that problem at the recent NATO council meeting. So we welcomed the assurance that was given last December by the foreign minister of the federal republic that the present policy of that government had the overwhelming support of the German people; that notwithstanding—indeed, in a sense because of—the failure of the Geneva conference; that German opinion was steady and undeceived, that they now knew the Russian price for unification, and they would not have it on those terms.

It seems to me there is an awareness of this development even in the east itself—that is, Eastern Germany itself. That may be one reason why last year 271,000 refugees from what is called by the communists the workers' paradise fled to Western Germany. It is true, of course, that the Soviet government does try to misrepresent the situation.

It was misrepresented in our visit to Moscow, too, in the sense that we were told that the policy of the west was to insist that Germany shall remain in NATO as a price for unification. That, of course, is not the case. All we ask is that the Germans be allowed to make their own choice as a result of free elections. That choice might be membership in NATO or withdrawal from NATO, or any other course they may desire to follow; and it should be made perfectly clear that that is the position of the west. We should do our best to correct misrepresentations of that position from communist sources.

I have mentioned the NATO conference meeting, Mr. Speaker. I do not have time today to give any detailed report of it, but I can say this. We agreed at that meeting, as you would have expected us to agree, that nothing happened to justify any relaxation in our defence or in our diplomacy. We felt that those who were opposed to NATO were counting on relaxation of the tension bringing about a relaxation of effort and a weakening in our unity. We agreed that we must do our best to remain strong and united and keep our diplomacy flexible and active. I hope there will be another opportunity when I can report in greater detail about the NATO developments, and especially the council meeting last December.

In conclusion, Mr. Speaker, may I just say a word on the general situation. The great combined effort to maintain peace and freedom goes on. The leadership in that effort continues to rest with the United States of America, and that is why every other free nation, especially a neighbour and friend like Canada, must be intensely preoccupied with every aspect of American policy. That is why we must make our views clearly known to the people of that country on the issues which affect us both but in which their position is vital.

The two greatest factors today bearing on the danger of aggression in all parts of the world are, I think, first the nature and conduct of United States policy because of its position of power and leadership, and second the strength of United States arms. As the predominant element of power in the NATO alliance—where would we be today without it? United States strength, military and economic, has been of decisive importance during the past decade in maintaining peace in Europe, and hence in the world. It will be so, I believe, in the years ahead.

Similarly, the determination of the United States to give leadership in resisting aggression in Korea in 1950 saved collective security and probably the United Nations itself. We would be wise not to forget this when we dwell on present differences of viewpoint within the coalition—and we have them—particularly in connection with Far Eastern policy.

While our policy should, of course, be designed and carried out to make the use of force unnecessary; while tactics should be followed that are neither provocative nor rash, nevertheless, the maintenance of force in this unhappy world of today and the clear resolve to use it as a final necessity against aggression is an indisputable obligation on us all at the present time. The deterrent value of such force, as I see it, should neither be squandered by bluff nor made impotent by loss of nerve in a genuine crisis.

Our purpose and our policy must be to avoid crises and to solve international problems. But crises, in spite of all our efforts, may occur, and dangerous and unresolved problems may persist. It is important, therefore, that the communist bloc, which we fear and which we still have cause to fear, should not get the impression that free peoples in their passion for peace and their desire to secure it by negotiation and the resolving of differences would, under no circumstances, make use of the deterrent strength they have built up for security and defence in accordance with the principles of the United Nations.

This strength, though centred in the United States, is the sum total of that of many free countries, all of whom are devoted and will continue to be devoted to the ideal of peace and will strive with all their power to find means of securing that peace. That strength, then, being collective, should be used collectively if it is to be effective. This requires that every member of the coalition should know about and, if possible, should agree with the policies of the leaders as to when and how the threat of aggression, as well as its actuality, must be faced and countered. On no other basis can there be solid unity, and unity is as much a part of our strength as bombs.

We are moving, I think, into a much more fluid period of relations with the communist world than those which characterized the hard and brutal rigidity and the tense isolation of the late Stalinist period. It must be quite clear now that the new tactic of Russia

is one of manoeuvre and contact, of trying everything that may help their cause; of smiles and scowls, of kicks and carrots. These tactics may be more dangerous and difficult to deal with than any ever employed by Stalin. They are certainly more complex. But at any rate, in the long run, they may offer some possibilities for negotiation and settlement. To meet them and to bring about that negotiation and settlement to which we would all give first place in our efforts, requires flexibility and imagination on our part. As "our" refers to a coalition of free states, with a cherished freedom even to differ, this is going to be difficult to combine with unity of purpose and co-ordination of methods.

We must, then, develop an imaginative yet realistic diplomacy, one based on a clear and unclouded understanding of the intentions and methods of the Soviet union and its satellites and of their strengths and weaknesses; one based also on a staunch adherence to our own policies and principles.

There is now less reason for complacency on our part than ever, for the threat to the institutions and the society of the free world remains as strong as ever. There is, however, no reason for despair merely because Mr. Molotov said "Nyet" at Geneva and because Mr. Bulganin and Mr. Khrushchev continue to level harsh and unfounded accusations at the western powers, mixed with honeyed words and offers of peace pacts. The latest of these offers was made the other day to the government of the United States through a message from Mr. Bulganin to President Eisenhower. I feel that I am voicing the impressions of most members of this house, though I know I should speak only for myself, when I say that I have read with admiration and respect the reply of the President of the United States to that offer. It was constructive, not negative, and it was the sort of attitude that in a matter of this kind I am sure this government would be happy to support.

I have already mentioned the feeling of confidence and self-assurance of the Soviet leaders. If on our part we can show strength, steadiness and unity—a strength which is more than military, a steadiness which is not indifference and a unity which is based on common ideals and which requires careful and continuous fostering—we shall prove the communists wrong in their assurance that the future belongs to them.

If we do not, we shall have only ourselves to blame.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the minister, with the background of the experience gained in consequence of his visit to the Soviet union and other parts of the world, has given us today the psychological reaction to the reception he received and the interviews he had with the leaders of those countries. He seems, however, to have departed somewhat from the unusually warm words that he expressed on the conclusion of his tour, in the remarks he made today. It was reported in the press at the time that he said:

I view these men as a group of strong, able men—

That is referring to the leaders in the Soviet union.

—with no other desire than to be left in peace to build their country and solve their domestic problems, of which they admit they have many—

Mr. Pearson: I hate to interrupt the hon. member, but at the time that statement appeared in the press I denied I had said that. I also mentioned the matter this afternoon. The radio recording of the interview will show quite conclusively that the word "professed", which is a very important one, was put in that statement.

Mr. Diefenbaker: I can understand the applause with which that statement is received. As a matter of fact, if my hon. friend says he denied the statement the publicity given to the denial never caught up with the publicity given to the words that he allegedly said.

An hon. Member: It never does.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: We listened with a good deal of composure when my hon. friend was speaking. Surely we are not going to depart from the attitude adopted in the past of endeavouring to discuss these issues in a manner befitting their seriousness. Today, sir, we have the minister again facing reality, if at any time the red carpet of welcome caused any distortion in objectivity during the course of his visit. The big problem the free nations of the world have to face is this: Is the change since the Geneva conference a new look? Is it reality or is it a mirage? Is it a change in manner or a change in matter? That to me represents in summary the problem that faces us today.

The minister referred particularly to the words of Khrushchev in connection with the shrimp whistling, and in listening to the minister I thought of history itself. A reading of recent history shows that on every occasion that the U.S.S.R. has ceased to be openly aggressive time was being bought for a purpose favourable to the U.S.S.R. I go back to 1921 to a book by Mikkail Frunske which is still standard in all military academies. In it he said that the general purpose and aim

of the policies of the U.S.S.R. are that a death struggle with the western democracies is inevitable. In 1917, after the treaty of Brest-Litovsk, the foreign minister of the U.S.S.R. said: "We entered into that agreement. We never intended to keep it. We were simply buying time for a breathing spell."

The minister mentioned one of the latest actions on the part of the U.S.S.R., the offer of a 20-year treaty of friendship pact with the United States, a simple scheme designed to drive a wedge between the United Kingdom and the commonwealth on the one hand and the United States on the other. The friendly letter received by President Eisenhower from the communist leader is not in keeping with the unfriendly and provocative actions of the U.S.S.R. during recent weeks. In particular I refer to the speeches delivered by the communist leaders during their recent trip to India and eastern Asia.

The minister has stated that what is needed today is a realization of the unity of the free nations and an intensification of that unity. He mentioned the United States. I intended to quote an editorial from Sunday's New York *Times*, I believe, where, dealing with the present visit of Sir Anthony Eden to the President of the United States the New York *Times* makes it perfectly clear that there will be no freedom, no security, no salvation from the onrush of communism if at any time the United Kingdom and the commonwealth and the United States follow different courses of action or cease to be united in their common crusade.

This is not the first time that the U.S.S.R. has offered a non-aggression pact such as it offers the United States. It did the same in the Balkan states. It did the same with Finland. One thing I thought the minister might mention was the visit to Ottawa next Monday of Sir Anthony Eden who will be given a reception in our country, as he is receiving today in the United States, a reception in keeping with the magnificent contribution he and those associated with him are making to the preservation of world peace today.

The minister revealed some of his impressions, and I think that we in the various parties in the house who suggested that he should visit the U.S.S.R. have reason to be pleased that he did and that he has brought back to us that reaction which only the intimacy of personal intercourse can bring about. I am going to suggest, having regard to the experience some of us had last summer in visiting the NATO representatives of other countries and also having regard to the experience of the minister himself, that we in Canada should follow somewhat the same system followed by the congress of the United States, to make opportunities available for members of the Canadian Senate and House of Commons to visit the U.S.S.R. and there learn something at first hand of the situation in that country and of the attitude taken by the U.S.S.R.

To bring together representatives produces results. The agriculturists from the U.S.S.R., who recently visited North America and on occasion received a welcome not in keeping with our democratic way of life, had nothing adverse to say about our countries in their report on their return to Russia. Indeed, there is the highest commendation of the manner in which we discharge our responsibilities to our agricultural economy. While the U.S.S.R. originally made the offer suggesting exchanges in a manner that is not in keeping with our parliamentary way of invitation, I think that in the interests of all the government of this country through you, Your Honour, should make available in clear-cut terms an invitation to the U.S.S.R. to send representatives to our country.

I know that there has been ridicule of such visits. There were some who said: What are we going to do when we go to visit the NATO parliamentary association? I can say that those who were there came back with a new realization of the need of maintaining and expanding NATO. They came back with a new appreciation of world events in general. They sat in conference with representatives of 14 other NATO nations, and we saw there on two occasions an answer to those who say that there is a finality in history. One of the most impressive was at the NATO parliamentary conference. France demanded that the nations represented at that conference should be listed on the basis of the French names of their countries, thereby placing Germany or Allemagne in the position of being No. 1. Here I wish to pay tribute to the president of that organization, Senator Robertson of our own country, whose contribution in bringing the parliamentarians together is worthy of commendation from all of us. Imagine this. After two world wars, after all the antipathies and animosities of a thousand years, in a few short months after the inclusion of West Germany in the NATO organization, the representatives from France, in compassion and in a desire to bind the wounds of war and abate the hatreds of generations, made that request. Who would have believed that possible five years ago or even three years ago?

I saw something else. It was something that recalled to memory where we were in West Germany, in that area of Alsace-Lorraine which for generations has been the

way of marching armies. The representative forces of the Canadian army put on that magnificent drama, as I call it, the retreat ceremony. Taking part were representatives of the Royal 22nd regiment and two other Canadian regiments. Their respective bands performed at the ceremony. At the conclusion of that retreat ceremony "God save the Queen" was played, then "The Marseillaise," and the officers came to the salute. Then the German national anthem was played and the Canadian officers followed suit. They came to the salute in an area where there are graves that will be unforgotten for all generations. They came to the salute, thus indicating that history is not finality and that as the pages turn, changes take place.

I went into East Germany. I visited West Germany. I saw West Berlin and I am going to make just passing reference to what I saw because the minister stated that the mass of propaganda of the U.S.S.R. is designed to control the hearts and the minds of men. As you go into Berlin—that island of freedom, to use the words of the Leader of the Opposition (Mr. Drew) on one occasion —you find that West Berlin is lit up. East Berlin is dark with the exception of one street, the show street, Stalin Allee, where live in fear the dictators of communism. You met the mayor and the people. They stood there as the bulwarks of freedom. They could be overrun at any time but they have stood their ground. Then you go to East Berlin. I had no idea of the propaganda that goes on. Wherever a person goes he is facing a propaganda message. The walls of all the buildings have on them messages such as these: We demand the outlawing of all atomic weapons; fight in resistance to the Paris treaties; protect the accomplishments of the people; fight for the rebuilding of Germany as a peace-loving democratic state; workers in city and country be prepared to arm for the defence of our homeland; all Germans with their feet under the same table. These slogans are the kind that have been designed to influence the thinking of the people. They ask for unification. The mayor of West Berlin, Herr Otto Suhr, stated that unless there is unification under a system of free elections there can never be peace in Europe. The U.S.S.R. promises hopefully that there will be unification and goes its way raising East Germany to a position of equality under the Warsaw pact, demanding at all times that Canada, Great Britain, the United States and the other nations that have representatives in West Berlin shall recognize the authority of that government by allowing that government to sign the necessary authority for them to go into East Germany.

I want to say this, Mr. Speaker, before I come to controversial things. One of the most impressive things that faces a Canadian as he goes through Europe and visits the Canadian embassies is the high quality of the Canadian representatives there. Without separating him from the rest, I mention particularly Mr. Keith, the head of the military mission in West Germany. It was obvious that he was a man who enjoyed the right of entry at any time to any of the representatives of the other countries, not only because of his official position but also because of his unusual ability and his unusual insight into external affairs.

Having said that, I come to something else. When you speak to people in East Berlin, you find that they would like to be joined together. You see the difference in economic conditions. I say through you, sir, to the Minister of Agriculture (Mr. Gardiner) that butter prices there are interesting. In West Berlin butter is 72 cents a pound and in East Berlin it is $4.80 a pound. One reason for that situation is the different standard with regard to currency. But more particularly the reason is this. Under communism agriculture has been destroyed. My hon. friend stated that the U.S.S.R. wants to pick off the cream, in effect, under any system of reorganization or system of unification. That is obvious in East Germany. There the U.S.S.R. picks off the top of everything that the farmer grows. The result is a failure in agriculture that is apparent on every hand. That is one of the reasons that during the next five years the U.S.S.R., under its new agricultural policy, intends to put into crop some 75 million acres more than have previously been planted.

What is the attitude of the U.S.S.R.? Is it desirous of peace? The events of the past give no such indication. The minister stated that those high in authority in the U.S.S.R. know the danger today of the hydrogen bomb. I believe that is so. As a matter of fact, the hydrogen bomb has created equality in military preparedness today and, in my opinion, in large measure accounts for the tremendous change in objective on the part of the U.S.S.R. since the summit conference in the summer of 1955. They realize today that they are not going to overrun the world by force and they now resort to this new plan of economic infiltration, the handing out of promises, the dangling of promises before the eyes of peoples less highly developed economically than are we. They offer to India several hundreds of millions of dollars for dams, steel mills and the like; to Egypt one-half a billion dollars for the building of a dam. To other countries there have been promises of a similar nature.

My hon. friend says that Canada has increased her contribution to the Colombo plan. It is true that she has increased her contribution but it is a small increase having regard to the change in strategy on the part of the U.S.S.R. I refer to this change from reliance on the force of arms to reliance on the power of economic infiltration and the dangling of promises. As a matter of fact, having regard to the five-year plan that was recently enunciated by the U.S.S.R., I think that a form of economic blackmail is to be the policy of the U.S.S.R. during the next five years. They will make promises. They are buying surplus products from Burma. They are extending economic assistance to various countries. They do not intend to go to war, that is to hot war. They realize the fabulous dangers that they face. Now, they are proceeding on what they call a five-year plan designed, to use the words of Molotov, to change over as painlessly as possible to communism in the world. In other words, as Khrushchev once said, the danger is capitalism, and that sums up the plan today.

There is this economic change. Steel production and coal production are being expanded; hydro power is being doubled and heavy industry is being expanded as never before. They have nothing to worry about so far as the costs of production are concerned because they have a police state. They can maintain whatever level of wages they choose. This new policy has all the appearance of a vast economic war which we in the industrial nations still face as a potential danger. We in the agricultural nations, faced with this expansion in agricultural development, will find that the competition we have today will be regarded as nothing beside that which we will face in the future.

As a result of this economic plan on a large scale the western world today meets a challenge from the U.S.S.R. in this new policy of maintaining peace. Russia is putting the western nations in a challenging position by failing to go to war, by fomenting trouble, by extending economic aid, by forcing them to compete with the promises of economic aid given by the U.S.S.R., thereby endangering ourselves if we endeavour to equal in reality the promises of the U.S.S.R. Each of these countries, Poland, Czechoslovakia, East Germany, Hungary, Rumania and Bulgaria, united the other day under the Warsaw pact agreement, is building vast economic developments so they will be in a position to challenge the economic magnitude of the United States, Britain and the other countries of the commonwealth and the free nations. In other words, today the free nations are going through a form of international brainwashing.

Some time ago a Pole was describing the brainwashing through which he had gone. He said it consisted of sweet talk accompanied by promises of concessions. Day after day different concessions are promised until finally the individual becomes a neurotic wreck. Postponing a performance always ends in uncertainties, and the dangling of hope destroys the power of the individual to resist. Is that what the U.S.S.R. is trying to do today by promises to Asia and to Africa, as well as to the other parts of the world? Is she trying, by handing out hopeless promises, to destroy the resistance of these nations who today find themselves economically in a position of semi-destitution, in some cases of almost complete destitution?

It is for that reason that more than ever I should like to see the NATO nations give greater attention to article 2 of the NATO agreement. In this way the free nations might join in multilateral trade and remove many of those tariffs that are unjust, unfair and unjustifiable in the world in which we live, to the end that the NATO nations and other free nations will be able to take their stand against this economic new look which endeavours to do what the military fierce look was not able to achieve. Indeed, in East Germany I noticed that seven or eight months of smiling had achieved more for the U.S.S.R. than seven or eight years of snarling. In other words, this new scheme shows a flexibility of policy under the present leaders that Stalin never achieved or never tried to achieve.

Now, having dealt with these generalities, I come to various more specific issues. I was interested in what the minister had to say about the recognition of communist China. A few months ago, on August 25, he made a speech in Vancouver in which he dealt with the question of recognition. He said:

> I mention these matters not to indicate that we are rushing into—or should rush into—any change of policy in this matter of diplomatic recognition, in a way that would cause bitter controversy at home and with certain friendly nations. I am suggesting, however, that the time is coming—and soon—when we should have another and searching look at the problem; that we should consider it also with those friendly governments with whom we like to act—and whenever possible should act together on matters of international importance.

Well, sir, out of this searching look has come the general statement on the part of the minister today. Strangely enough only recently he was giving advice to the United States in an article in *Look* magazine. Apparently on January 10 he advised the United States somewhat differently, at least that is

he way the people of the United States read t. Paragraph 4 of his advice reads:

We should recognize the fact that the Peiping government and not Chiang Kai-shek is in control of continental China and likely to remain so; that here are basic problems to be settled in the Far East which cannot be settled without the participation and agreement of that government. We can negotiate with Peiping when necessary and desirable without implying approval of that regime or without weakening our opposition to communism.

This advice, 18 or 19 days old, given to the United States, is certainly far from the viewpoint expressed today by the minister in this regard. What he says today represents the attitude taken by the Leader of the Opposition (Mr. Drew) and this party. We do not say we will never consent to recognition of communist China. We say so long as communist China remains an undischarged bankrupt in the field of diplomacy and in the field of aggression, so long can there be no justification for the legal recognition of that country. In the old days when the theories of Grotius had application, recognition was a simple legal expedient. Today, recognition would be accepted throughout Asia amongst those nations that still stand against communism as the greatest approval measure of communism and communist China that could possibly be achieved by that country.

Certainly, the Minister of Fisheries (Mr. Sinclair) was not so sure about recognition. He did not have the same views in November that the minister had when he spoke in Vancouver and flew that kite to the women's association out there.

The Minister of Fisheries had his experience when he was actually channelled into places to which he did not want to go. He was channelled into China. In his interview on November 11 he finally ended up in this way:

Mr. Sinclair said the United Nations had laid down certain standards for peace-loving nations and it might be questioned if communist China met these standards. It had played a "cat-and-mouse game" in the release of 47 missionaries recently, failing to let them go in a group and leaving those waiting to receive them at Hong Kong uncertain of time of arrival.

Such acts made it difficult for some to see they were quite ready for admission to the United Nations.

As far as recognition is concerned, while some may say it is different from admission to the United Nations, it indeed has very much the same results. The minister said there is one thing in the recognition of China that we should take into consideration, and that is, what is best for Canada? I am asking him, to use his own words, the words he used to the Women's Canadian Club in Vancouver: Was our own national advantage one of those things that were to be considered, and if there were recognition would we get paid for the Ming Sung shipping deal? Was that one of the things? In the minister's enunciation of policy today with respect to recognition he adopted the point of view which we expressed on more than one occasion, and on one occasion in particular, paraphrasing those immortal words of the late Mackenzie King: "not necessarily recognition, but recognition if necessary".

We now come to one problem that I am surprised the minister stayed away from. While he did give a casual examination to the Middle East situation the other day, I believe, Mr. Speaker, the events of the last few days and the bungling answers of the government in regard to the shipment of Harvard aircraft to Egypt have resulted in an understandable predilection against discussing this matter any further. I can quite understand that. What are those events? Well, Mr. Speaker, read *Hansard* if you would like to see the greatest collection of jarring, irreconcilable answers made by different ministers at different times or by the same minister at different times. It is one of the most peculiar incidents that have happened in this parliament. It is very unusual. I hold in my hand copies of *Hansard* and I intend to refer to them in a general way. I start first with the inexcusable attitude of this government toward parliament. The other day the Minister of Trade and Commerce (Mr. Howe)—he is not in his seat at the moment—spoke at a dinner given in his honour and in honour of the Minister of Agriculture (Mr. Gardiner), and both were entitled to all honour. But the Minister of Trade and Commerce decided to give the people assembled there a lesson in parliamentary procedure. He prefaced his remarks by saying: "I am a House of Commons man". Well, Mr. Speaker, that indeed will arouse tremendous interest in the mind of Sir Winston Churchill who described himself in that way on one occasion.

I ask the Prime Minister, through you, sir, what is the reason for all this evasive bungling that has been going on since this matter was first brought up by the hon. member for Winnipeg North (Mr. Stewart) on January 11? I am not going to read the record in detail, but it is a record that I doubt whether the Prime Minister, with all his masterful legal skill, could bring into anything but disorder. I ask this question because if they did not have anything to hide, one wonders, why all the hiding. If there was not something they did not want to reveal, why all the explanation?

On January 11 the hon. member for Winnipeg North asked the Secretary of State

for External Affairs (Mr. Pearson) the following question, as reported at page 9 of *Hansard*:

Have any aircraft been shipped from Canada to Egypt recently or are there any orders on hand for the export of such aircraft?

After a few preliminary words, the minister said:

I would have to make inquiries of the Department of Trade and Commerce as well as my own department. However, I believe I can say at once that I know of no shipments of Canadian aircraft to Egypt or of any orders for such shipments.

It is strange. Today the Prime Minister said that the Secretary of State for External Affairs was consulted. First they said they did not know anything, and I am not blaming him. The subject of the question sat there. Beside him sat the Minister of National Defence (Mr. Campney), who also had to be consulted, and a little further along the row sat the Minister of Trade and Commerce. I sometimes wonder whether he did the whole thing on his own, and that is the reason they did not know, but certainly they did not know.

Well, what happened next? On January 12 again the hon. member for Winnipeg North asked the Secretary of State for External Affairs a question and the minister brushed him off with a frivolity when he said he should have been satisfied with his own answer. Then the hon. member for Esquimalt-Saanich (Mr. Pearkes) asked a question, but he did not get very much information either. Then we come to January 17 and the minister proceeded to give an explanation, which appears on page 183 of *Hansard*. And, Mr. Speaker, imagine what misled him. It was the word "recent". The question was whether there had been any shipments recently. "Recent" is a hard word, subject to a number of definitions. That is what misled the minister. He said, of course, that it was not recently, it was back in June or July that those orders were given. Then, January 18, the Prime Minister was asked by the hon. member for Winnipeg North whether he would cancel the export permits, and the Prime Minister said that no consideration had been given to that. Well, that was another step, and still we did not find out anything about those Harvards, except in a general way.

Then came Friday, January 20, and a lengthy explanation was given. It is an interesting one because one of the ministers who did not know anything about this, namely, the Minister of Finance (Mr. Harris), said in part, as reported at page 344 of *Hansard*:

We are quite proud of our record and we are prepared to defend it at any time.

After the Prime Minister had given his explanation I asked him a very simple question, which appears at the bottom of page 345 of *Hansard* as follows:

Reverting to earlier discussion between the Leader of the Opposition and the Prime Minister, would the Prime Minister tell the house whether the issue of export permits covering aircraft, explosives or other war material is decided at the cabinet level or on the basis of certain principles and, if so, what are those principles and when were they first communicated to the Department of Trade and Commerce?

The Prime Minister said:

Matters concerning the acceptance or otherwise of orders for any of that type of material are discussed at the cabinet level. But to my knowledge no orders are accepted before information has been communicated to those with whom it is sought to place the orders . . .

Then I asked this question:

When was the decision made regarding the export permit for aircraft for Egypt? At approximately what date did the cabinet determine that question?

And in reply to the inquiry when did the cabinet determine that question, the Prime Minister said:

It was some time in June of last year.

I then asked this question, which is unanswered today, as it was on January 20:

How is it that when the question was asked at the beginning of the session none of the ministers seemed to know anything about it? How is it they knew nothing about it?

At this point Mr. Fleming interjected:

I guess they were not at the cabinet meeting.

Then we come to the next step. Just picture this record of fumbling and bungling, if not evasion. The next step was that an order in council was passed. That is what the Minister of Trade and Commerce said. This statement was made after 13 days of searching. And when the Minister of Trade and Commerce announced that an order in council had been passed, the other ministers sat and remained silent. When we asked for production of the order in council the Minister of Trade and Commerce informed us that he had made a mistake. He said, we do not pass orders in council on things like that.

What is this? Is this the manner in which we are to be treated in respect of information for which we ask on matters less serious than this? Today, however, the Prime Minister brings forward the final and revised version as of this date, and the possibility exists that in the days ahead there will be additional versions. The Prime Minister said it was by a ministerial order by the minister who thought he had an order in council passed. How often, Mr. Speaker, we have said that the cabinet enjoys the kind of

solidarity that it has exhibited today. What did they do? Who knows? If ever the loose practices of this cabinet have been revealed it has been in connection with this matter—everybody on board and nobody knowing where he is going; everyone with a different explanation. That is the parliamentary end of this matter. I say to the government in relation to external affairs and other matters that we in the opposition have our responsibilities to discharge. We expect—and have a right to expect—to be treated with candour. We were not treated with candour or frankness in this regard. There has been throughout this whole sorry spectacle an illustration of cabinet irresponsibility which cannot do anything else but shake the faith of those who like to believe that the information they receive, although it may not be all the information, does cover the actual facts.

The minister said on January 27 that, when aircraft were going to sensitive areas, ministerial concurrence was required of the ministers of external affairs, defence, and trade and commerce. The country in question was a sensitive area. The minister of external affairs so described it in the article published in *Look* magazine when he said:

> In the Middle East, war could flare up any day between Israel and the Arab states. The Soviets are fanning the embers with arms shipments to Egypt (and incidentally with other communist governments, capturing about half of Egypt's foreign trade).

This statement indicates that the minister of external affairs regarded as dangerous the action of the U.S.S.R. in delivering munitions to the Middle East. He said that such shipments were "fanning the embers". I now ask the Prime Minister the question: Are you not doing the same thing when under such circumstances as have existed in the past six months you are employing this under-the-table method of delivering Harvards and thus doing your part to fan those embers? I do not think it will always be that way. If conditions worsen there we can change our policy, but as long as the situation remains as it is today I say there can be no justification for condemning the U.S.S.R. for doing on a larger scale what we ourselves are doing.

As a result of the outstanding contribution made by its representatives in external affairs in every part of the world Canada has established a reputation as an objective nation whose interests are above the monetary considerations which actuate some nations. But as a result of the course taken by the government Canada's position of objectivity and moderation has been jeopardized. Having granted permits to export arms, the government has removed the most potent weapon in Canada's arsenal of democracy, the moral weapon. Canada is no longer in the position where it can be a conciliator. It is no longer in the position where it can look on the other nations and say, "We are disinterested". Surely those things were thought of beforehand. Can the minister continue to rise in his seat and express Canada's moral indignation concerning the conduct of the U.S.S.R. in doing on a larger scale what Canada is doing? Surely the minister in his speech the other day did not intend to take virtually the same position as the U.S.S.R. when he said that, if we do not ship munitions to this country, the Russians will.

The things which have happened in the last few days indicate that the government knows that it has done wrong; surely it knows that. It is a piece of cynicism to say, "If we did not do so, the U.S.S.R. would have done it".

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but it is five o'clock and the house will proceed to a consideration of private and public bills.

PRIVATE BILLS

Mr. Deputy Speaker: There are a number of divorce bills on the order paper, Nos. 25 to 36. I do not see the sponsors; shall these bills stand?

Mr. Coldwell: Stand.

Mr. Deputy Speaker: The items under private and public bills having been disposed of, the house will resume consideration of the business that was interrupted at five o'clock.

WAYS AND MEANS

EXTERNAL AFFAIRS

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I suggest that by this conduct Canada's potentialities as conciliator and mediator have received a setback, as has Canada's reputation for selflessness, in the international world of today. I do not say that this condition should continue if world conditions change for the worse; then this matter can be reappraised. Having regard to the events of the past few weeks and what has been revealed here, I say—and I dislike to say it—that I think the conduct of this government deserves the condemnation of Canada for having, at a time like this, added its share of fuel to the embers which today are burning in the Middle East. I believe that this whole matter should be fully considered—and I know there have been alternative suggestions—by a parliamentary committee. Let us look into this. Let us find out the reasons for all the things that have taken

place, these bumbling, mumbling explanations, these detours and deviations.

It is unbelievable that out of something that is above board, as the government says, it should have been necessary for the government to build alibi after alibi. As one alibi was punctured, another found its place. Let me say this, too. This is something that is beyond partisanship; it is a matter affecting all Canadians; and we have always adopted that attitude. I should like to see some of the Liberal members speaking on this subject. I noticed that when the minister was in Moscow he made a very interesting statement there. He said, "When I return to Canada, I will discuss with other Canadian government members the question of forming a puppet theatre there". I do not know whether that is what this government has been trying to do since he got back but, if he could sit over there, he would not have to go to Moscow to see a puppet show.

I should like to mention one other thing. I believe with all my heart that the state of Israel must be preserved. As one walks through that state, one sees the foundations of civilization and one sees the landmarks of the conquerors, Persian, Assyrian, Roman, Crusader and Turk. One sees places holy to the three monotheistic religions. One sees a state in which a profound social revolution is taking place, vital and living, based on the imagination and inspiration of a dedicated people.

Mr. Martin: Would my hon. friend permit me to ask him a question? He has said that the state of Israel must, of course, be preserved at all costs. With that, everyone is in agreement. Will he agree, and does he say now, that arms should be sent to Israel to guarantee that preservation?

Mr. Diefenbaker: I shall return to that in a moment.

Some hon. Members: Oh.

Mr. Diefenbaker: I have never run away from any questions in the way the government runs away from questions from this side. Perhaps I may finish this, because I know my hon. friend, with his capacity for language, would expect me to complete the sentence. From the humblest to the greatest, this country, Israel, is engaged in the great adventure of creating a new democracy and achieving economic independence.

What should be done? What is this government doing about bringing into effect an international force to protect and assure the boundaries? What has it done? The other day there was a suggestion for the maintenance in their integrity of the boundaries under an international arrangement very much in the same fashion as was dreamed of by Castlereagh over 130 years ago. What have they done about it? If conditions got worse and war broke out, then conditions as to the shipment of munitions would change, and all of us would change the views we have now; but until that time, on the basis of the words of the minister, remember that the sending of munitions is adding fire to the embers.

I suggest to my hon. friend who interrupted that one of the things he can do, with his influence in the United Nations, is to see to it that something in the nature of an international force is established to the end that this dangerous situation shall be obliterated. If it is not, and war breaks out there, we shall have war all over the world, for in every generation that area has seen the march of conquerors. It is almost like a beaten road for war.

What should we do? I say that we must face this problem courageously and manfully and not in the manner that we have seen here—a government hiding behind one explanation and then another, then throwing both overboard and finding refuge in still another. If the cabinet operates in other major matters in the same way that the Prime Minister revealed today and in the past few days, then indeed the question might well be asked, who leads, and whither?

My hon. friend mentioned NATO. The cement that has held NATO together has been fear. As I see it, the great danger today is this: that the removal of fear from the hearts of men will at the same time also remove that determination among nations to stand together. That is why I believe that article 2 deserves more intensive consideration now than ever in the past, in view of the new policy of the Soviet union. My hon. friend says we need today something of the spirit of faith, as I understood him, and I believe that. But what we need today is courage as well as faith, rather than challenging or truculent exhibitions of bravado such as "dancing to the brink of disaster." That type of expression is not conducive to peace. The minister has told us of his trip through the U.S.S.R. and to Moscow. The U.S.S.R. is using a new system. It is a kind of circus parade. Khrushchev and Bulganin go through India and they catch the imagination of the people. If only President Eisenhower had the health he had prior to last August! Would it not have been a great thing for him to go there and carry to those people something of his sincerity and the faith that he has in democracy, enjoying as he does the respect and admiration of peoples all over the world?

NATO may weaken. France has withdrawn three divisions to North Africa. German rearmament is slow. I have the figures here and rearmament is slower than was anticipated. Free nations cannot, as Eden said, negotiate from weakness. What is the new NATO policy? Three ministers went over there, the Secretary of State for External Affairs (Mr. Pearson), the Minister of Finance (Mr. Harris) and the Minister of National Defence (Mr. Campney). What policy was determined there? It was determined that a warning line was going to be built throughout Europe to which all of us would contribute. Has not the time come to reconsider the whole NATO set-up to the end that, since we are in a position in northern Canada of being in a potential front line, the general contribution of NATO should also be used within this country so that expenditures in northern Canada for defence will be part and parcel of the NATO defence for all the world?

Other matters will be dealt with by those who follow. We face, as the minister says, a new Soviet with a flexible, resourceful, ruthless policy. In the military field atomic energy seems to have resulted in a draw, but there remains one field that we have never yet explored to the extent that we should, the field of the hearts of men. We need a message to be given to the peoples in other parts of the world of what freedom means and the power that comes to men as they draw strength from the wells of freedom. We need the ability to explain that power. We need to mobilize their hearts by showing that our system is better than theirs.

The momentous task of the free world is not to falter in continuing to make the maximum effort for peace by negotiation, by the kind of thing the minister did when he talked face to face with Bulganin and Khrushchev. Negotiation might well have prevented the first world war. Sir Edward Grey said in his memoirs that if only the nations had continued to negotiate, the first world war would not have taken place. We must continue that negotiation. We must continue to provide mutual opportunities to meet those who are parliamentarians in other countries, particularly in the U.S.S.R. We must negotiate, but always with prudence and caution, and above all we must be on guard against unwarranted optimism, against becoming the manipulated victims of falsely created hopes on the part of the U.S.S.R. as that country wages its international war for the hearts of men.

[Mr. Diefenbaker.]

I therefore move, seconded by the Leader of the Opposition (Mr. Drew):

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

"in view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance; and also condemns the government for the lack of candour with which the matter has been dealt with in this house.

Mr. Speaker: Earlier in his remarks the hon. member for Prince Albert dealt with a declaration approved by the Supreme Soviet, dated February 9, 1955, in which are included three paragraphs at the end referring to what is presumably an invitation to exchange parliamentarians between the parliaments of the world. Certainly the hon. member was not aware that as recently as last Friday a meeting was held in my office of the whips of the four parties at which it was decided to study the matter. I think I should say in fairness to the whips that at that meeting an undertaking was given to the effect that the whips would report the subject matter to their various caucuses which, I understand, are to be held tomorrow morning. Another meeting is then to be held to deal further with the matter.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, the debate this afternoon is, of course, to some degree supplementary to the address which the Secretary of State for External Affairs (Mr. Pearson) made in the house last Tuesday, and a little later on in my speech I intend to take the opportunity to comment on the minister's remarks regarding the situation in the Middle East and to say something about the policy that I think Canada should support and forward both with the great powers and with the United Nations. But before I do that, Mr. Speaker, I should like to say that I am very happy this afternoon to be able to compliment the Canadian delegation at the United Nations last autumn. I think that delegation, under the leadership of the Minister of National Health and Welfare (Mr. Martin), placed Canada in an excellent position and in a good light before the other nations of the world. I am very happy indeed that the membership of the United Nations was expanded because I believe that sooner or later, if the United Nations is to become the kind of organization that we originally hoped it would be, it must become universal in character. Any step taken in that direction is, in my opinion, a right and proper move.

This afternoon we have heard a great deal about the disturbed situation of the world, about the determination of the Soviet union to expand its influence across the world in

various ways. I believe the minister is quite right when he tells the house that owing to the terror of the new weapons of war, particularly the hydrogen bomb, we are not likely to see the Soviet union embark on a shooting war—and of course we are not likely to see any nation outside of the Soviet union do so—which, with the modern weapons of war, would bring the world into ruins around us all. But I am inclined to think that the minister this afternoon rather underrated the potential influence of the Soviet union and the nations associated with the Soviet union in the competition which is developing in the field of economic aid. I think that what we are witnessing today is perhaps a diminution of the dangers of a military contest and that that military contest has been replaced by a new contest, namely a contest to win the world by means of economic and technical aid.

It may be said—as was said by the hon. member for Prince Albert (Mr. Diefenbaker) —that the Soviet union has been unable to feed its people properly because of the failure of its agricultural plan. But the Russian people for centuries back, I was going to say—and I think that is probably the right thing to say—have been accustomed to an extremely low standard of living. From all the reports that we get, from what we heard from the Secretary of State for External Affairs (Mr. Pearson) here and elsewhere and from what we heard from the Minister of Fisheries (Mr. Sinclair) when he returned to Canada, undoubtedly those extremely low standards of living have been improved. The Russian people, seeing some slight improvement in the standards of living, are willing to forgo the great improvements that people in our countries would expect by great industrial expansion, so the Soviet union may be able to do more than make promises in the field of economic aid to the underprivileged nations of the world.

That brings me to the point that I really wish to make this afternoon, namely that the western nations—and among them Canada—must do very much more than we have been doing in assisting the under-privileged nations of the world to improve their standards of life and to go forward and therefore to resist those who would foment revolution and the institution of dictatorships. You will notice, Mr. Speaker, that I used the plural "dictatorships". I did so because it is not so long ago that a great country, in its distress, turned to a dictatorship of a different sort from that of the dictatorship of the communist party. I refer, of course, to the dictatorships that arose in the early 1930's in Europe, particularly that in Germany. To my mind there is always a real danger of the emergence not only of communist dictatorships but of fascist dictatorships. I think they flourish on the same kind of fertile ground, namely the ground of misery and of want. When we look over the problem faced by the United Nations organizations in this field of economic aid, we find that it is a stupendous one. When we look at the resources that have been granted to the organizations that have been set up, we find that those resources are pitifully small.

Some time ago I jotted down some statements made by the United Nations secretary general of the technical aid organization. He is a gentleman whom many of us know well in Canada. I refer, of course, to Dr. Keenleyside. In *Weekend* magazine published by several newspapers in this country as a supplement on Saturdays, in the issue of July 9, 1955, he had some striking things to say. He said:

> Grim figures illustrate the conditions under which a great part of the earth's population lives:
>
> Over half the world's people are illiterate.
>
> Most of the earth's inhabitants suffer from hunger most of the time.
>
> Almost two-thirds of the people of the world have an average income of less than $100 a year compared with more than $1,500 in the United States.

The amount is only slightly less in Canada. In fact if we take the inflated figures of last year of the gross national product and divide it by our population last year, I think it will be found that we exceed that $1,500 figure. I know that when I was at the United Nations organization meeting in 1945 one of the statements that startled me—

Mr. Martin: In 1946.

Mr. Coldwell: —when I was on the committee that set up the economic and social council at San Francisco, was the statement that two-thirds of the people of the world—two out of every three persons—went to bed hungry every night. It was not necessarily the same two out of three but always two out of three. Generally speaking, that condition is no better today than it was in 1945.

Mr. Martin: That was in 1946; the fall of 1946.

Mr. Coldwell: Yes; in 1946 as well. Dr. Keenleyside went on to say this:

> More than half are ill (500 million suffer from malaria; almost the entire land mass between the tropics is afflicted with yaws—

That is a dreadful tropical disease which a small amount of penicillin will suffice to cure.

> —400 million have venereal diseases; between 3 million and 5 million a year die from tuberculosis—and that is just the beginning of the list.

Much has been said about what is being done already through various schemes of assistance to under-developed areas. There is the United Nations technical assistance program, the Colombo plan, the Point Four program in the United States and the like. But the discussion of these organizations at the United Nations and the numbers of words used far exceed the amount of money appropriated to do the kind of jobs that these organizations are endeavouring to do.

Then he went on to say this:

> We could go on for 200 years at the present rate without producing the effects that are wanted.

Then he remarks on the United Nations technical assistance program. He said:

> It originally envisaged the spending of $25 million to $35 million in the first 18-month period during 1950-51, and an expansion to above $50 million to $100 million annually within a few years.

How near are we to that target? Because of the reluctance of some governments—and may I add because of the reluctance of governments like Canada's government—to give a greater lead in appropriations for this cause our contribution is to some extent minimized. We are all inclined to say that on a per capita basis we should contribute this much if somebody else contributes that much. I am glad that a year ago we increased our contribution from $1 million to $1,500,000 a year. But how petty that amount really is, as I shall show in a moment, I hope, in comparison with other expenditures that we make.

The article goes on to say:

> Because of the reluctance of some governments to contribute on a sufficient scale, the sum of $25 million was achieved for the first time in 1954. But the amount of money available has not increased at all in proportion to the requests from the various governments for assistance.
>
> Some western nations are spending $100 on military defence for every $1 spent on aid to the underdeveloped areas. While military preparation is a first requirement under today's conditions, this proportion of spending strikes many observers as being badly out of balance.

What is our own record in that same field? Let us look at our expenditures, and I take them from the public accounts for 1954-55 tabled in this house. Our total economic aid of every sort, according to the public accounts, was $29,016,824.86. What did we spend for national defence? We spent $1,665,968,960.31. This amount does not include the defence production expenditures which were made in addition to the figure I have just placed on the record. What would economic aid be as a percentage of the military defence figure which I have just noted? It is 1·74 per cent. Our population on July 31, 1955, was estimated by the dominion bureau of statistics to be 15,637,000. Our economic aid amounted to $1.86 per capita. On the other hand, for military expenditures, not counting defence production, we spent $106.54 per capita.

Now I contend, Mr. Speaker, that we are not going to be successful in winning the world for the kind of democracy and freedom in which we believe and which we enjoy in our western countries. We may urge different steps in democratic development, and all the rest of it: we may visualize different stages in our evolution from one form of economic structure to another; but in our western countries we all value personal freedom and human liberty. We want to see that extended across the world. My belief is that we are not going to win this struggle unless we are prepared to do far more than we have been doing by way of economic aid. I am very glad to note that the Colombo plan aid is to be increased this year. However, it is not particularly substantial when compared with our wealth and compared with our expenditures in other fields. But it is a step in the right direction, and I am very glad indeed to see it undertaken.

I noted the articles that were written by that brilliant young journalist who travels and reports from time to time for the Ottawa *Journal*, Mr. I. Norman Smith. I read his articles when he was sending them from the Soviet union and the Far East. I read the speech which he delivered before the Canadian Club in this city some two or three weeks ago. In that address he had this to say:

> Yet the Colombo plan is virtually all Canada is doing about Asia, the area Mr. Pearson says may be history's most important crucible at this time.
>
> I do not relish saying what I am about to say, but I must say it. I have found that many Canadians seem almost to resent the poverty of Asian people. It embarrasses us, we look the other way if they beg and say to ourselves that we cannot stand beggars. But if they do not beg, and instead seem to keep company with arrant nationalists or even communists, then we call them fellow travellers and shut up our doors.

Well, that is one man's opinion and it may not be entirely correct. But undoubtedly we are complacent. There is no room for complacency in the kind of world in which we live today, a world in which millions of people are hungry, sick and illiterate; millions of people who may very easily be enticed into the communist orbit. I am thinking particularly of India, because I feel India is the key country in Asia from our point of view. If India should fall behind China in improving the standards of living, if the Chinese under their dictatorship, no matter how harsh it may be, are able over the next 10, 15 or 25 years, to outpace India in improving the

standards of life in that part of Asia, then the communist orbit will be extended over a vast majority of the human race.

Yet, Mr. Speaker, we have every facility for assisting in improving conditions in these countries. The other afternoon I mentioned the necessity of our building up our educational system so that we might not be outpaced in the field of science. May I just say in passing that when I speak of science and technical education I do not believe, of course, that we should endeavour only to make men scientists or technicians. I think the basis of even a scientific and technical education is a good, what we call a liberal, education. I think the humanities are as essential to the scientists or technicians as they are to any other calling or profession. We have to develop technicians and scientists, not only for ourselves, but we have to be able to provide them in greater numbers to the backward countries of the world.

I am not saying how much we should appropriate. I am not saying we can appropriate a billion dollars out of the defence budget or something of that sort. But I am saying we can do many times what we are doing now in order to preserve ourselves, our safety and the future welfare of the land in which we live. I am very happy indeed to see that we are making a slight improvement in our contribution to the Colombo plan. A year and a half ago I would have liked to have seen Canada support the proposal for the special United Nations fund. A proposition was put forward that, in addition to all the other agencies, we should set up a new organization with a capitalization, if my memory serves me correctly, of about $250 million—not Canada alone but the nations together—to assist in the development of the underdeveloped countries. This was not necessarily an organization which would have within it only publicly appropriated funds by parliaments. Private capital was to be invited to assist in the establishment of the fund and the working out of its details. I was with the delegation at New York when that came up, and I was sorry to know that our government could not see its way clear at that time to support the proposal. I know it will come before the United Nations from time to time and I hope that sooner or later the government may see its way clear not only to take part but perhaps to give some leadership in that field.

We have heard a great deal about these matters from time to time and I wanted to emphasize them again this afternoon because as I have said—and I want to repeat it—the struggle that is going on in the world is not going to be won on the battlefields of the world; it is going to be won to the extent that we can win over to the democratic ideals that we hold in common with those associated with us and to our side those countless people of Asia and of Africa who today need our help and our aid.

I now want to say something about the situation in the Middle East. I thought the minister made a very excellent windup to his speech last Tuesday. I thought he was rather unnecessarily harsh in his criticism of the hon. member for Winnipeg North (Mr. Stewart) because the hon. gentleman had brought something before the house that he considered to be of importance at that time. We all realize that what he did was done in good faith. Because of the situation with which the world is faced in the Middle East that area has become the danger spot of the world. We had Korea; we had Formosa. Now we have the Middle East. I agree with the hon. member for Prince Albert (Mr. Diefenbaker) that it would be indeed a great world tragedy, a great loss to the world, if the newly emerging democratic state of Israel were to be destroyed. It is the only state in that area of the world with institutions like our own; it is the only state in that part of the world with leadership of a democratic sort; it is the only state in that part of the world with an institution like the institution in which we are assembled today. A parliamentary institution modelled very largely along our lines; and indeed, as I know from talking to the clerk of the Knesset, with procedures that are very similar to the procedures that we use in this parliament.

We look back over the years and we find that the Israel-Arab armistice of 1949 has been followed ever since by hostility from the surrounding countries. They resent the establishment of the new state of Israel in that area. So great was the danger that in 1950 the three powers issued the tripartite agreement or declaration, Britain, the United States and France. They attempted at that time to check the drift to actual war. Their declaration, of course, was designed at that time to stabilize conditions there. How? Well, first of all, of course, by a warning that if Israel were attacked there would be immediate intervention; that no party, neither Israel nor the Arab states, should try to alter the boundaries as they had then been drawn. In addition, they tried to maintain a balance there by restricting the inflow of arms into the whole area. But since 1950 various events have happened. First of all, we had the evacuation of the Suez canal area by the United Kingdom, which gave to the Arab nations, and primarily to Egypt, access to

many modern weapons and arms. Since then, of course, other weapons of war have been shipped to Egypt; but the most alarming thing that has happened to upset the balance in that area is the recent agreement between the Egyptians and the Czechs under which, with the assistance of the Soviet union, vast supplies of modern arms are going into Egypt, and the threat becomes ever greater, not only of an outbreak of war in that area, but if war should come and no assistance be forthcoming, the state of Israel might conceivably be eliminated.

Those of us who have been to Israel are well aware of the fact that in some places the distance between Israel's boundary and the sea is less than twelve miles. If my memory serves me rightly, in one place it is around six miles. How easy it would be for an enemy to cut across, divide the country and destroy it. They have, as those of us who have been there have seen, a very intelligent and well-trained armed force.

I am not suggesting that we should foment an arms race in that area. Indeed, I find it very difficult to think how an arms race could be fomented in that area under the conditions that exist there, where arms are being poured into Egypt from Czechoslovakia and from communist countries and similar arms denied to Israel. We could not conceivably pour in arms at the same rate, nor could Israel arrange to purchase them. And yet, of course, when you look back over the last twenty or thirty years, you wonder how a nation can exist unless it has firm guarantees from the great powers that are interested in its survival. I hope that when Sir Anthony Eden is here next week—and for certain this problem will be discussed; it may not be discussed publicly but it will be discussed privately—the minister will use his very best endeavour to get him and, as far as the minister can influence the United States, the state department of that country, to make a declaration saying that if war is started in that area by either side immediately the great powers will intervene on the side opposite to the aggressor nation to stop the conflict and to prevent war.

I should like to see the United States and Great Britain do that. France, of course is so involved in North Africa that I am not even suggesting it participate, I quite agree with the hon. member for Prince Albert (Mr. Diefenbaker) that what we need is a security force under the United Nations but we do not have it. We cannot rely on a force that does not exist to preserve peace. That, of course, is not logical nor sound and it certainly could not be effective if not in being.

[Mr. Coldwell.]

I do not know whether or not the great powers would see to it that the state of Israel were not left defenceless. I would not send into Israel offensive equipment in the nature of bombers or something of that sort, but I doubt very much if the nations of the world can afford to see Israel threatened and inadequately armed, bearing in mind the relative proportions of population in Israel and the surrounding Arab states. There is one person in Israel for every 30 Arabs in the Arab states and the latter are well armed and well equipped now. I do not think the second suggestion I implied would be necessary if the great powers said, "We are going to see to it that no war starts in that area and we are going to stop aggression immediately, no matter from which side it comes".

I cannot conceive of Israel being imbued with a warlike spirit to try to drive back the 30 million Arab people from its borders. If Israel should attempt it they should be stopped from doing it. If, on the other hand, Egypt and the Arab states move against Israel, then I think that the great powers might make it abundantly clear that they would intervene immediately and stop the conflict. I think all of us in this house agree that it is essential that the state of Israel shall continue to exist and prosper.

I am going to move an amendment to the amendment because I think the amendment moved by my hon. friend from Prince Albert does not take into consideration conditions that might arise from time to time. I feel his amendment is too binding on this nation and that we should have some latitude, that our hands should not be tied too tightly in connection with the situation that exists there.

I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the amendment be amended by inserting therein immediately after the word "alliance" the following words:

"without at the same time making sure that peace in that area would be guaranteed either by the United Nations or by the powers that signed the tripartite agreement of 1950, namely the United States, the United Kingdom and France."

It seems to me in that way we safeguard ourselves against possible misunderstanding. We do not say that under all circumstances we would be averse to supplying means of defence to a nation which we assisted in establishing. One of the things which pleased me when I was in Jerusalem and various other parts of Israel was to discover the high regard in which Canada is held by that country because of the work our minister of external affairs did on the commission some years ago, because

of the work done by Mr. Justice Rand, whose name stands high in the regard of the people of that country, and because of the work that is being done today—or was being done when I was there—by General Burns. Those three names, if not universally known, are known among the people who lead that nation and among others who take an interest in affairs. They hold Canada in high esteem. We should leave ourselves room in which to move so that if the existence of a country which we helped to establish were threatened we would not be so bound that our government could not take effective steps to give immediate aid in the situation.

My time has just about run out, Mr. Speaker. I should like to have said something about the European situation and NATO. I am glad to know that those who went overseas last year to meet with other parliamentary delegations to discuss and examine NATO came back feeling pleased that they were afforded the opportunity of visiting there and brought back much useful information. I believe these inter-parliamentary meetings, whether they are commonwealth meetings, united nations meetings or other parliamentary gatherings, serve a useful purpose. I am glad to know that the parliamentarians from Canada who visited NATO last year feel that the expedition was worth while and that they were able to advance the interests of our country and of the NATO cause by their attendance at the meeting.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we welcome the opportunity, presented at this early date in the session, of discussing some of the very important aspects of the present international situation.

With reference to the international scene, the speech from the throne intimated that some developments have been welcome as releasing tensions in certain parts of the world while other unfortunately have had the contrary effect. Also in the speech this afternoon of the Secretary of State for External Affairs we had presented to us in a very clear manner the conditions that exist in various parts of our world. This helped to clarify some matters and to answer some questions that have been of concern to us.

We, of course, are in the position where we are not able to look at these things at first hand but we must glean our information concerning world affairs from various sources, and we are quite ready to admit some of them may not be reliable in every respect. However, after considerable study of the various situations and after comparing reports and making inquiries in various fields, there are a number of conclusions at which we are justified in arriving.

After we analyse the whole picture, it would appear that the prospects for stability and peace in the world are no brighter than they were some months ago. The cold war, apparently, is still on. Tensions in various sectors continue to hamper the efforts of men of good will in their quest for grounds for mutual confidence and understanding. The leaders of the nation have so far failed to find that common ground which, I believe, is essential to international peace and harmony.

I am not saying that the situation is hopeless. I would not want to think that that were so. We are not saying that it is hopeless and that therefore further efforts are more or less in vain. But the very fact that dangers still obtain, the very fact that tensions still exist, the very fact that efforts up to the present time have not yielded the results we had hoped for, those very facts must urge us on to even greater efforts towards peace and security. There must be a greater concentration and dedication of our resources, intellectual, moral, spiritual, economic, and in every other sense, to the task of establishing and maintaining a society in which justice, equity, peace, mutual understanding and freedom may be preserved for all the peoples of the world.

It would be impossible to deal with all the many matters of urgent concern. A number of them have already been dealt with in the debate today. It would seem that the numbers of important matters are increasing rather than diminishing. As has been pointed out, in some areas of our world these problems are of such a nature that they could, it seems, at any moment result in limited, if not widespread, conflict.

The Secretary of State for External Affairs dealt at length with the continued threat and the fact of communist aggression and expansion. I do not think it is necessary to review the stages by which a large portion of the world's population has been brought under the tyranny of this despotic and diabolical system. Suffice it at the moment to say that its spread has been rapid and far too extensive. We find our world divided into two camps: the east and the west. It has been referred to as a conflict for the minds and for the very souls of men. Certainly, when we

look at it from that viewpoint, we can understand the magnitude, and the importance, of the task that confronts the statesmen of the world.

Last summer the world looked forward with a great deal of expectation to the conference that was called to meet in Geneva. The leaders of the four nations met there together to try to solve, or to get a deeper understanding of, the problems that confronted these four nations. It was suggested that the purpose of that meeting was to explore the extent of the change in the Soviet policy and also to deal with a number of other matters of great concern.

The Toronto *Star* in an article outlined the proposed eight topics for that discussion as set forth by President Eisenhower. German reunification was the first one. The second was an east-west security system in which a united Germany would have the right to choose its own allies. The third was the right of the Soviet satellites to choose their own form of government. The fourth was the tearing down of "communication and human" barriers between the Soviet union and the west. The fifth was an end to subversion by international communism. The sixth was limitation of armaments. The seventh was a higher standard of living for underdeveloped nations. The eighth was the development for peaceful uses of atomic energy.

When we look at those items which had been placed on the proposed agenda, we realize some of the problems that were confronting those four leaders as they met on that occasion. Those various matters that were broached were, of course, of a very controversial nature, as we can all readily understand. As I say, the world had looked forward with some expectation to that meeting, hoping that some good would be brought out of seeming chaos. But, sad to say, that was not the case.

Much was said about a change in the attitude of the Soviet leaders, about their smiles and their friendly attitude. Some of the newspapers of our country went out of their way to stress the happy and congenial spirit with which the Soviet leaders had approached that gathering, cavorting like tourists, appearing almost unaccompanied when compared with some of the western leaders who had their bodyguards, and so on. Yet we find that the result was negligible. Some have said that great things were accomplished; some have said that some good things were accomplished; but in the over-all picture it would not seem that the results had been too worth while.

[Mr. Patterson.]

The Soviet leaders are ever declaring their determination to work for peace. They constantly proclaim themselves as the champions of peace, the champions of freedom and of liberty. But certainly, as has been stated today, their actions do not prove that that is necessarily so. We think of the recent trip that premier Bulganin and party boss Khrushchev made to India and Burma. They seemed to go out of their way to make statements which tended to stir up animosity. It seemed as though they deliberately set themselves to make charges that would cause the western powers to react in a very unfavourable way. I am going to refer to several of them a little later, but I would suggest that the words of Mr. Khrushchev especially were far from words of peace. Their actions on these occasions were not the actions of men who were sincerely and honestly striving to ease world tensions. They certainly were not designed or calculated in any way to foster friendship and good will on the part of the western democracies at least.

There are hopes expressed at times that the communist tactics or their over-all plan and objective may change, but I think their plan and objective still remain the same. Communism plans world domination. Their program has been announced, progress is being made, and their plans seem almost so fantastic that it is hard to believe they are really setting out on that course. But I think the very fact we find it difficult to believe that the program is as outlined adds to the danger in which we find ourselves. And so we think of the progress of communism. We think of the nations that have been brought under the control of the Russian regime, Estonia, Latvia, Lithuania, the Ukraine, Poland, Czechoslovakia, yes, China and others. We think of their endeavours in Korea and Indo-China and it would seem that the fact is proven that communism has set its course and that its objective is still the domination of all the peoples of the world.

It has been stated that communism in its attempts to enslave the world takes one step backward and two steps forward. I am inclined to believe that, although we are opposed to communist aggression and expansion, we take one step forward and two steps backwards. I like to look back through the records of the recent past and find what some have said with reference to our attitude or what our attitude should be towards communism. In the Vancouver *Province* of November 30, 1955, there is a Canadian Press report from the United Nations, New York, reading as follows:

> Canada's external affairs minister Pearson has warned that the so-called "soft" Russian approach to world affairs may prove more dangerous to the west than Stalin hostility. In an address to the

U.N. correspondent association, Pearson cautioned against any tendency to relax western defences and urged the people to gird for a long grind of "competitive coexistence." . . . He said "competitive coexistence" may prove more hazardous for the west than the cold war tactics of Stalin's regime. "We must make sure that relaxation of tension does not mean relaxation of effort."

I may say I was pleased to note in the speech the Secretary of State for External Affairs (Mr. Pearson) made today that he still holds that same view. There were times when I almost thought he was going to back track, but I felt a little reassured today to know that he is still facing in the same direction and taking the same attitude with respect to this very serious situation. I should like to refer to an article by George Meany, president of the A.F.L.-C.I.O., found in the issue of the *Ensign* of January 14. The article reads:

Too many in the free world fail to see the real nature of communism as the mortal foe of everything that we hold dear, of every moral and spiritual value. Too many in the free world are still prisoners of the illusion that communism is, historically speaking, a progressive system—extreme liberalism temporarily making bad mistakes. Actually communism represents darkest reaction. It is an anti-social system in which there are imbedded some of the worst features of savagery, slavery, feudalism and life-sapping exploitation manifested in the industrial revolution of early day capitalism.

He goes on to make some other very striking statements with regard to communism and what our attitude should be in response to its challenge. I should like to refer again to an article entitled, "This is Our Foreign Policy" by the Secretary of State for External Affairs in *Weekend* magazine of January 28, 1956, and I like to think that this is the policy of the present government. Speaking of the Soviet rulers and their assaults on NATO and so on, he has this to say:

Their hope is our challenge, and it is going to be a hard one to meet and defeat. Adequate military defence alone will not do it, though it is essential. Close political co-operation between the free nations; flexible and imaginative diplomacy; economic health; social progress; sympathy for and assistance to the underdeveloped free countries, especially in Asia; all these are a part of the answer to this aggressive challenge of international communism. As such they reinforce Canada's security.

I want to refer to the recent trip of the Minister of Fisheries (Mr. Sinclair) to the Soviet union. We are glad to have the report of the Secretary of State for External Affairs today of his trip to that country, and I would be inclined to say that he is not quite as optimistic about affairs in the U.S.S.R. as the Minister of Fisheries seemingly was. But there are two questions that I should like to ask concerning this visit to the Soviet union. I refer again to an editorial in the *Ensign* in which two charges or two statements are made, and I just wonder if they are right. About half-way through this editorial headed "Voyage of Discovery" we read these words:

In his press conference, on his return to Canada Mr. Sinclair divulged that the soviets agreed to satisfy his curiosity, his thirst for first-hand knowledge, at a price which seems exhorbitant both diplomatically as well as in personal sufferings.

First, he was to be their guest on their own conditions.

And this is the part to which I should like to call special attention:

That is why his lips are sealed on much that he saw.

Mr. Coldwell: Who wrote that? Where is it from?

Mr. Patterson: It is from an editorial in the *Ensign* of November 26, 1955. I continue reading from it:

Second, he could only travel to Siberia and visit the Siberian coast, if he made a visit also to Red China to greet members of the puppet regime in Peking . . .

He told the press in Ottawa, however, that in view of his acceptance of soviet hospitality he is not at liberty to speak freely about what he did observe in soviet Siberia.

Then I want to skip a paragraph and read the following one:

Plans were readied, as Mr. Sinclair told the press, to fly him to his native Vancouver in a few hours by special plane of the Canadian Pacific Airways. But no—the Soviets insisted on their price: Sinclair, on stretcher or wheelchair, had to be delivered to Peking for the proverbial diplomatic bow, the modern Red Chinese version of a kowtow to the Red puppets.

Mr. Pearson: Mr. Speaker, may I say at once that there is no possible shadow of truth in that statement.

Mr. Patterson: I appreciate that clarification, Mr. Speaker. I was just going to ask these questions. Is it right that Mr. Sinclair's lips are sealed with respect to these things that he saw and heard?

Mr. McIvor: No.

An hon. Member: Let the minister answer.

Mr. Pearson: May I assure my hon. friend that Mr. Sinclair's lips are not sealed.

Mr. Patterson: Thank you. There is one other question that I should like to have clarified. It may be that it is out of order to ask questions and to expect answers, but we are glad to have the answers anyway. Is it true that in spite of his painful injuries he was required to travel to Peking and then to carry on these talks with the Chinese communists? Perhaps the minister would

answer that question at a later time. However, those are just two questions that came to my mind as I read that article.

Mr. Pearson: It might save time, Mr. Speaker, if I also answered that last question. The answer is no.

Mr. Patterson: Then this newspaper has apparently misunderstood the facts.

An hon. Member: And so have you.

Mr. Johnston (Bow River): And they should be censured for it.

Mr. Patterson: There has been some discussion relative to the Middle East situation. In his statement this afternoon the minister did not touch on that matter because he had already made a statement in this regard just a short time ago. I would consider that this is the most sensitive of all the areas at the present time. It is an area in which reside two peoples between whom a feud has been carried on for generations. It was my privilege to be at the United Nations general assembly in 1954. There I heard the representatives of some of the Arab countries and also the delegate from Israel speak in the plenary sessions. Charges and countercharges were made. Yet it was not difficult to sense the feeling of animosity and, on the part of some, of hatred toward the other side on this particular question at that particular time. I would therefore just make my remarks in this respect very brief.

We recall that some time ago the Secretary of State for External Affairs (Mr. Pearson) stopped in and had a visit with the leader of Egypt. At that time it was regretted that it was not possible for him to stop in and visit the leaders of the state of Israel at the same time because at that time matters were in an extremely delicate position. However, he has already made the statement that in the near future a visit will be paid to Israel as well. We certainly appreciate that statement because, human nature being what it is and international moves being subject to political interpretations at all times, even these smallest matters must be given due consideration.

As to the Middle East problem, we have had called to our attention a number of things that constitute matters of friction. There is the refugee problem. We are not going into an explanation of the situation with regard to the refugees. I believe that every hon. member in the house is aware of the conditions. There we find a great many refugees herded together in camps and kept in idleness. That is a situation that constitutes a festering sore in that particular part of the world. I should like to suggest that the time has come when some definite decision should be taken relative to this particular situation.

These people are being sustained by funds from the United Nations Organization. Canada is making her contribution to those funds and is assisting in the maintenance of those people in the camps. But in view of the fact that so much money is being spent and that apparently no endeavour is being made to rehabilitate these people, at least to any extent, it would seem to me that the time has come when a decision ought to be made that the moneys that are given from here on, or after a certain date, must be used for the rehabilitation of these people and not just to maintain them in these camps where they are deteriorating and where they are kept in idleness. There may be reasons why they are being kept there. But certainly I think I am expressing the feelings of this group, at any rate, when I say that our government ought to make some statement to the effect that money that is given from now on must be used for the rehabilitation of these people.

We understand that a considerable number have been accepted back and have been integrated into the economy of the state of Israel. I do not think it is too much to suggest that those who remain should now become the responsibility of the Arab countries, that they should be willing to extend the hand of help and welcome and be willing to integrate the remainder of these people into the economies of the respective Arab nations. I think that this would do a great deal to assist in the solution of the problem that we find in that area.

There is the problem of the boundary. There is the problem of the use of the various water resources of the country. All of these things have their particular point of emphasis. But I think there is something that is behind all of these things. There is the major problem. I should like to call attention to an article in the January 30, 1956, issue of *Time* magazine. There may be one or two of the words in this article that I do not pronounce correctly, but I shall give the English version of them. The article is in the foreign affairs section under the heading "The Middle East". It is entitled "Holy War".

"Egypt does not want a war." So says Egypt's Premier Abdel Nasser, leading statesman of the Arab world. But the supreme spiritual voice of all Islam in effect denies that protestation. From Cairo's 1,000-year-old Al Azhar university, the committee of senior Ulema—

The footnote refers to the "Ulema" as:

A body of scholars trained in Islamic law and religion that has long been recognized as the highest Moslem authority in matters of faith.

Let me read that sentence again:

From Cairo's 1,000-year-old Al Azhar university, the committee of senior Ulema solemly confirmed a jihad (holy war) against Israel.

The fatwa (ruling), a pronouncement having almost the same force for Moslems as a papal encylical for Roman Catholics, decrees that for a moslem to recognize the state of Israel would be to condone an act of robbery.

Then farther down it says:

. . . any peace with Israel that includes recognition of its existence as a state in Palestine "is against faith".

So you see, Mr. Speaker, it goes back beyond some of these problems that appear on the surface, and it is based upon the fact that the Arab world is not prepared, under any circumstances, to recognize the right of Israel to exist as a nation. There, we see the problem all the statesmen of the world are facing in their endeavour to stabilize the situation. I say it is a delicate situation. Any action that is taken by the United Nations or by individual nations, and especially by Canada, must be based upon sound principles, be absolutely fair and must not in any way tend to upset the present balance, if there is a balance. Nor must it tend to add to the tensions already so evident in that troubled area.

I wanted to make a few remarks about the technical assistance program and the Colombo plan. The hon. member for Rosetown-Biggar (Mr. Coldwell) placed on the record this afternoon some of the figures relative to the need of the peoples of the world. Their economic conditions were outlined very clearly and they impressed upon us the fact that if we are going to discharge our moral obligations in this world then we must recognize the needs of our fellow men, regardless of where they may be found. We do appreciate the contributions that have been made and are being made by Canada through these various funds, but certainly we feel that they can be extended, they can be increased, for in that way we would assist tremendously in the solution of those problems that are so real to a great portion of our world.

I think we must help those people in the underdeveloped nations to help themselves. We must be willing to share with them the good things that we enjoy. We must increase our contribution and above all it seems to me that the assistance we give must be governed not by political or economic considerations only but by a sincere concern for the welfare of our fellow men.

I was very pleased that in the meeting at Geneva the President of the United States made a clear declaration regarding the satellite nations of Europe. He reminded the Soviet rulers that in order to fulfil their obligations and fulfil their promises they would be required to grant to those people the freedom to choose their own form of government and to enjoy political freedom and liberty.

I did want to refer to several statements by Mr. Khrushchev while he was in India and Burma. I have a copy of the Soviet bulletin in which those speeches are recorded. When the minister is winding up this debate, I should like him to state whether or not the Canadian embassy in the U.S.S.R. is free to publish and circulate material to the same extent that the Soviet embassy does in this country. These bulletins are very enlightening. I just want to read one or two.

But, continued N. S. Khrushchev, we have condemned and we condemn the colonial system, and hold that the sooner it is done away with the better as it is a profoundly unjust, man-hating system. The sooner the peoples of colonial countries are freed from it, the better. We are the most sincere friends of those who fight against colonial enslavement and colonial dependence.

I should like Mr. Khrushchev to turn around and have a look at some of the countries that are now under communist domination. We think of the satellite countries. We think perhaps of the subjugated nations, those that now have lost their political identity and been swallowed up by communist imperialism. I should like Mr. Khrushchev to answer the question whether he believes in freedom for the European nations as well as for the Asian nations. Certainly, I think that thought should be brought to his attention. If they are going to talk about freedom and liberty for nations, then they are going to be expected to loosen the shackles, break down the iron curtain and give these people an opportunity to make their own choice. Only then can we understand and believe in the sincerity of their proclamation that they are in favour of freedom and liberty around the world.

Today we reaffirm our faith in the principle of self-determination of people. We say the true government of a people is that which they have voluntarily chosen and to which they have pledged allegiance. God grant that such liberty and freedom may be the possession of every nation and every people in the world.

Mr. L. D. Crestohl (Cartier): There are manifestations in the life of each nation, Mr. Speaker, which generally indicate its aspirations and tendencies. As for our own country, the most recent efforts for world peace by our statesmen clearly evoke for Canada a renewed testimonial. Our Prime Minister (Mr. St. Laurent) circled the globe; two of our ministers flew to Russia, and our

Minister of National Health and Welfare (Mr. Martin) fathered the admission of 16 new countries into the family of nations, all in the hope that the cause of peace in the world would be advanced.

These, Mr. Speaker, are the wholesomest manifestations of a people's genuine desire to live in the spirit of those who, throughout the ages, proclaimed peace on earth and good will toward mankind. A similar spirit prevailed and manifested itself at the first Geneva conference. The peace tempo was increasing, but shortly afterward we were stunned by the realization that the Russians were again merely appeasing our peace hunger while secretly continuing to press their diabolic plans. They lulled us into believing that the Russian bear had dulled its claws, and now brazenly attempt to do so by their peace-manoeuvring in Washington last week, while scheming, no doubt, some other nefarious plans.

This scheming, Mr. Speaker, is now directed by the two enigmatic personalities of Khrushchev and Bulganin, as was so very eloquently stated by the hon. member for Fraser Valley (Mr. Patterson), who spoke a few moments ago. The one, Khrushchev is a blind zealot and a ruthless communist. His appearance, strangely enough, spells out to the eye the reflection of his personality. The other is a benign-looking gentleman, but together, they are the mailed fist in the velvet glove, and in biblical language, they combine the voice of Jacob with the hands of Esau.

This is confirmed, Mr. Speaker, by the fact that during the wining and dining, the smiling and the hand-shaking at the Geneva conferences, plans were secretly being made for the invasion of the Middle East and Africa by communist ideology.

It is historic knowledge that since the eighteenth century Russia has been aspiring to secure a passage through the Bosphorus and the Dardanelles to the Mediterranean. They have now virtually pole-vaulted over Asia Minor and secured reasonable access to the Mediterranean, the Suez canal and the continent of Africa.

The Russians plan cunningly years in advance. Shortly after the second world war, for example, they laid claims to ports in Italian Libya and Eritrea. In this way they served notice on the world that they seek an opportunity of entering this virgin territory. Since this plan could best be achieved through the Middle East, she eagerly sought an ally in this area. The scheme became more obvious, Mr. Speaker, from the Soviet support given to Arab claims at the Bandung conference and the subsequent invitation to Colonel Nasser to visit Russia. If we add to this the recent stepped-up vigour of the Russian espousal, without qualification, of all Arab claims in the United Nations we have a clear-cut indication of her eagerness for an alliance with Egypt.

She then proceeds through the back-door use of Czechoslovakia, and provides arms to Egypt as well as personnel to train Egyptians in the use of aircraft, armaments and even submarines. These agents flock into Egypt, which is the front-door entrance to Africa, and from there they have easy access to the rest of that continent.

I have personally, Mr. Speaker, seen this infiltration at work in the heart of Africa while on a visit to Ethiopia last year. Communist literature was openly and brazenly displayed in Ethiopian ministerial offices. Embassies and compounds of legations close to Russian influence are amongst the largest in the country, and I wondered why. I heard more Russian spoken in Addis Ababa than any other European language. I was both astonished and fearful.

The menace, Mr. Speaker, is very great. Mr. John Gunther, noted author, has the following to say on the subject in his recently published book, "Inside Africa", and I quote briefly:

> This fabulous continent is democracy's last frontier. It is the richest prize on earth and is defenceless in a period of cold war. Already there are areas where the communists are almost in a position to take over the nationalist movement. If communism is ever let loose on the intolerably poor and crushed in the submerged regions of the continent, a development might arise like that in China. And we will have lost Africa, as China and Asia have been lost.

To continue to be unrealistic in the face of this admonition, Mr. Speaker, is being ostrich-like in our need to recognize the studied determination and procedures of communism, not only to invade but to capture the whole of Africa. There is, for example, amongst many other manœuvres the vigorous propaganda assault now actually in process seriously threatening the security of East Africa.

Cairo radio, in line with Egypt's new offensive, opened this assault dramatically about the middle of last October with these words spoken in Swahili, which is the language that reaches 20 million Africans, and I quote:

> "The Mau Mau revolt, in which white arms defeated black courage, must be revived, not only in Kenya, but in the entire continent, and must go on until Africa belongs to the Africans."

Political observers, Mr. Speaker, familiar with communist tactics, openly declare that no subversive material aimed at Africa in the past has ever reached this blatant and

dangerous level. That, Mr. Speaker, is a very distressing fact, but unfortunately that is not all. Tanganyika and Uganda are also extremely jittery, and the white communities are exerting efforts to provide powerful antidotes over their radio stations at Dar-es-Salaam and Kampala.

If antidotes are necessary, it is a sign that the poison is already penetrating. But what is more disturbing, Mr. Speaker, than even that is that these deliberate and inflammatory appeals are also delivered in Arabic. It is no accidental coincidence that both the appeal in Swahali and in Arabic was launched immediately after Egypt concluded her arms deal with the Soviet.

It is abundantly clear that this is part of a bargain that Egypt entered into with the Soviet, and it becomes apparent that her campaign against the white man is the price she has to pay for the military aid she receives from Russia and her satellites.

It is my conviction, Mr. Speaker, that Egypt wants this military aid because Mr. Nasser, in his dream of becoming the Moslem Bismarck, has some aggressive ideas of his own, and Israel is being used only as a decoy for the purpose of securing armed power.

I foresee, for example, that apart from Egypt's desire to dominate the entire Arab world, as Nasser proclaimed the other day, one of the things she no doubt expects from her alliance with Russia is the immediate realization of her aim to acquire the Sudan, which is now in no position to resist Egypt's so-called protective invasion, especially in the face of her newly-acquired desert tanks and armaments. This would bring Russian influence to the borders of Ethiopia. With the pressure from both Egypt and Russia, Haile Selassie, in his desire to preserve his throne, would then be an easy victim for a deal. All this would place Russia strategically in a good position to advance her plan for a cold war invasion of Africa.

This program, Mr. Speaker, could never be realized by Russia without her finding a base on the African coast of the eastern Mediterranean, and this explains her anxiety for the alliance with Egypt. This also reveals to some degree the real dimensions of what appears to be an innocuous arms deal with Czechoslovakia. *Newsweek* of November 28, 1955, reports most disquieting information pointing a red arrow at the very heart of the Middle East itself all of which developed on the heels of this new alliance. And what do we find in the Middle East? Syria is on the verge of a red arms agreement. In Cairo, Egyptian and Soviet spokesmen declared that Saudi Arabia had already signed for the acquisition of communist arms and is now in the midst of a Soviet-inspired bribery scandal causing disturbances in the country itself. Yemen, which is in a dispute with Great Britain over Aden, also seeks Soviet arms. Egypt offers Soviet arms to Jordan, one of Great Britain's hopes in the Middle East, and Jordan shows signs of succumbing to Egyptian pressures. There you see, Mr. Speaker, that the supply of arms to Egypt involves not just the supply of arms to Egypt but the supply of arms to every Arab country in the Middle East. I urge most cautious, profound and courageous consideration of all these facts. They are not trivial and show manifestations of being very foreboding and very dangerous.

I admit my inadequacies, Mr. Speaker, in not being as knowledgeable about these events as either Washington, London or Paris, but the pattern seems so clear that one does not have to be an expert to be frightened by these developments. In fact, the New York *Times* of October 15, 1955, very poignantly and frankly declared that when Mr. Dulles received the news that Russia was unloading Soviet bloc arms in the Middle East he himself had a conniption fit. The rest of the civilized world should certainly feel no better about it.

Our alarm is even more startling when we are told that near Alexandria on the Mediterranean, a vast area, consisting of tens of square miles, has been reserved for the gathering and conditioning of incalculable quantities of armaments including tanks, jet fighters, jet bombers and submarines. The section is cautiously guarded and looms as a jumping off point. In addition, Mr. Speaker, there are thousands of Russians in greatly increasing numbers swarming into Arab countries under various guises. The combination of these arms and agents in the Middle East is ominous and I think you will agree, Mr. Speaker, that this procedure is painfully reminiscent of Russian tactics in North Korea and China. First she armed them and then sent in thousands of so-called experts and technicians and when they were good and ready catapulted them into a war.

It is puerile to believe that the Russians are providing such vast quantities of arms to the Egyptians solely for their defence against an assault by the tiny state of Israel. Let us not be duped by the Egyptian cry of "wolf". Israel, with a population of one and a half million and an area of a mere 8,000 square miles, by comparison with 50 million Arabs and an area of 2,600,000 square miles, does not merit the dubious compliment of having to provide against them the vast armaments, aircraft and submarines presently being gathered in Egypt.

Much larger game is the objective. The western world must recognize this quickly and promptly challenge it not merely by talk nor by appeasement and certainly not by sacrificing important human values and principles which form the cornerstone of our civilization.

The Arab fear of invasion by the tiny state of Israel and its handful of people is universally recognized as being ludicrous. The reverse is more likely and more threatening.

Israel lives under a sword of Damocles in the form of the constant Arab threat of annihilation. On January 9, 1954, King Saud called upon the Arab world to wage a holy war against Israel, and to sacrifice 10 million Arabs if necessary, in order to destroy it completely.

The hon. member for Fraser Valley (Mr. Patterson) a few moments ago also referred to the students in Cairo who attend the oldest university in Cairo and the Moslem brotherhood who urge the Arabs to wage a holy war against Israel.

The *Christian Century*, in its editorial of January 20, 1954, challenged this inhuman exhortation in these terms:

> This outburst sounded like the war cry of a savage, not the utterance of a responsible head of state. It should be rebuked and rebuked so effectively, that no more such wild counsel is heard from this, or similar sources.

In addition to this royal outburst the howl of a second round has not been permitted by Egypt and other Arab states to subside for an instant.

Having only recently escaped from the greatest atrocities in history, the Israelis are horrified by the thought of further assaults. They are grateful to the United Nations for providing them a home after 2,000 years, and pray for the elementary human right to live in peace and security.

They cherish this little land, and it is only natural for them to resist to the last man, woman and child, any attempts to dislodge them from a single inch of it.

If they have to—and we pray to God that they will not have to—the Israelis will, as they did in 1948 and alone if necessary, again repel the war-crazed fanatics, fired by the cry of a holy war and nudged forward by a prowling and cunning bear.

The Israelis are not belligerent. They do not live by the sword and are religiously mindful of the remaining half of this prophetic admonition. They want to live in peace and they constantly proclaim their anxiety and willingness to negotiate a peace with the Arabs any time and anywhere. It is the Arabs, on the other hand, who are intransigent, and even refuse to talk of peace.

The Israelis therefore are constantly kept on the defensive to preserve their little niche in the world, and, if they seek arms, they do so only to defensively meet the threats proclaimed daily by their surrounding neighbours. They are not in an arms race. If there is an arms race, let us recognize the mirage, since it is not between the Arabs and Israel, but is actually between communism and the democracies. That is far more menacing. Recognizing this danger quickly may preserve our Middle East position, hold intact the northern tier under the Baghdad pact, and prevent the whole continent of Africa from becoming communistic.

Can you therefore imagine, Mr. Speaker, my astonishment this afternoon when the hon. member for Prince Albert (Mr. Diefenbaker) introduced an amendment in which he asked that all shipments of arms to the Middle East be arrested or stopped? I think that the hon. member for Prince Albert has placed himself in a most disturbing paradoxical position. At one moment he pleads in terms that the state of Israel must be kept secure and in the next moment introduces an amendment asking that the means of preserving the state should be removed from them. He asks that the state be preserved and promptly proceeds to tie their hands behind their backs by allowing arms to go to only one destination in the Middle East, and that is to Egypt. I did not think that was very noble or very brave of the hon. gentleman. I was shocked at the amendment and at the position now taken by the party to which the hon. member belongs. He states clearly to me, and I am sure to all my co-religionists, not only in this country but everywhere, that the little state of Israel should be left helpless and without arms to defend itself if it should be necessary.

Actually I was more surprised by his amendment when he dodged a reply to the question put to him by the Minister of National Health and Welfare. I do not know why he refused to make a reply, but he turned around and asked, "What has the government done?" I would like to tell the hon. member what this government has done. This government has done more for the establishment and preservation of the state of Israel than any other country in the whole world.

We see the Soviet union's plans: its plans for Africa, its plans for the Middle East. We recognize them. All we have been doing in the past—we western nations—is to resort to a process of wooing, appeasing and perhaps praying. We are now obviously wooing the Arab nations by offering them arms and

money, all in the hope that we may be able to win them away from their crafty Soviet suitor. The armaments we pour into Egypt—when I say "we", I am talking now of all the western nations—all these armaments, peculiarly enough, appear to be going into a common arms pool with the communists. The great question, of course, is: Will the arms out of this common pool be used for us or against us? The Soviets can take the risk. They have nothing to lose. But can we take the risk? To find the answer to this sphinx-like question, we have merely to glance at contemporary history.

Do we forget that when Rommel was at El Alamein on his way to Alexandria, the Arabs were already rolling out the red carpet of welcome for him? Is our memory so short that we forget the Mufti's sojourn with Hitler? Do we forget so quickly that, in gratitude for Great Britain's help in building and maintaining the Suez canal, Egypt, at the very first opportunity, pressed for her dismissal? Do we forget the pro-Nazi revolt in Iraq led by Raschid-Ali during the early part of the second world war, which was greatly distressing to the allies? Do we forget that the Arab countries, all of them, remained comfortably neutral during two world wars when the democratic way of life was threatened? And have the Arabs throughout history earned the reputation that they can be trusted? Their record in that regard is not a creditable one. In fact, it dates back thousands of years to when the prophet Isaiah proclaimed an admonition against trust in Egypt, in the following words, and I quote chapter 36, verse six:

> Lo, thou trustest in the staff of this broken reed, on Egypt, whereupon if a man lean, it will go into his hand, and pierce it; so is Pharaoh King of Egypt to all that trust in him.

This is further supported by the fact that the Egyptians have now nudged Great Britain completely out of Egypt, notwithstanding the treaty condition that she will be readmitted in the event of apprehensive warfare, whatever that may mean. In my opinion, the United Kingdom will never voluntarily be readmitted to Egypt. Her departure was a cardinal blunder.

Disraeli foresaw the importance of the Suez canal and a strong British position in the Middle East. He gave that to the empire. He would now be writhing in anguish in his grave if he could see what has happened. From wherever Britain moved out, communism moved in. One shudders at the futility of a policy in the Middle East which lost for us links of empire and bastions of democracy, and reduced the stature of the United Kingdom in countries like India, Pakistan, the Suez, the Sudan, Cyprus and now Jordan. I am therefore astonished to find, even today, such an unrealistic approach to such painfully realistic problems.

Until the Egyptians disclosed Russia's tie-up with some Arab countries, the United Kingdom and the United States strained everything to hold Arab favour. This manoeuvring apparently called for the suppression of the real values in an alliance with Israel. These tactics may have been necessary, although I do not admit it, but now that the masks are off and we see the position and see where the Arabs are going, it is my respectful submission that to fail to make a show of strength and determination by including Israel in the western family would be a greater blunder than it was previously to suppress it. To proceed further by appeasement at this critical time is again unrealistic and a deplorable show of western weakness. It could well prove to be the blunder supreme that the west can make, and the appeasers may never be able to answer to destiny for their urging of it.

During the course of previous debates in this house, we have agreed that the most effective way to meet a Soviet challenge was by a show of strength and not by a show of weakness. Every time the west appeased—to use a colloquialism—we were taken for a ride, and we should by this time have learned our lesson.

If appeasement now is to take the form of attempting to throw the tiny state of Israel, or part of it, to the marauding Arabs, then I say it will not be as simple as some would have it, because the heroic people of Israel will not permit themselves to be Muniched into a Czechoslovakia. The irony of the situation is that appeasement will again have been resorted to in vain.

Let us recognize, even shamefacedly, that we are at this point, apart from a rebellious Cyprus, virtually left with the Baghdad pact alone and a prayer—if you will—that, despite the pressure exerted on some of its components, it will hold intact. If that, too, should not stand up—and it might not stand up—what remains? Virtually nothing, except Israel. This conclusion is being recognized more and more every day by western strategists.

Would it therefore not be most imprudent to miss the opportunity of availing ourselves of this additional safeguard? It is the only country in the Middle East that admittedly is western in every possible way and, because of that and its alliances with millions of brethren residing in western countries, Israel can be fully, completely and reliably depended upon. It has the best trained and

most disciplined army in the area and can yet prove to be our most reliable, trustworthy and able ally.

Let the west fearlessly recognize this fact and declare to its allies of the Baghdad pact that it becomes urgent for the west to avail itself of Israel's position and strength, and emphasize that to do otherwise would definitely be shortsighted and dangerous, not only for the position of the west but also for the parties to the pact itself. Such a statement, Mr. Speaker, would tell the Arabs in no uncertain terms that we do not pussyfoot any longer in our determination to have peace in the Middle East. We must speak boldly and with firmness because until belligerent Arabs hear such a forthright declaration, made with grim determination, they are encouraged to gambit with stealthy and intriguing manoeuvres, including their threat to annihilate a million and a half people and, in their frenzy, launch a massacre that twentieth century civilization is anxious to live down. The western world must not remain silent any longer to this menacing talk lest it be considered an accessory to the fact resulting from its silence.

I would be loath Mr. Speaker to link this silence to the statement attributed to someone in Washington that Israel be written off as a noble experiment that failed. This is the sadistic utterance of an inhuman maniac, whoever he may be. No diplomatic manœuvre, regardless of how great or important it may appear to be, could justify such premeditated and wholesale murder. It may suit the period of a Genghis Khan or an Attila but certainly not the enlightened and civilized twentieth century.

If Israel is an experiment that failed, then I say, Mr. Speaker, with horror and with shame, that the whole of our civilization is doomed to utter failure because I believe, that in the assessment by the Almighty of the actions and behaviour of men He recognizes values that are far more sacred and important than ruthless diplomatic expediencies.

I often wonder, Mr. Speaker, whether somewhere down the line the policy which the western powers have been following could not have been more skilful if it had been only a little more courageous and a little less influenced by vested interests.

The United Kingdom, the United States and France all have vested interests in the Middle East which they are anxious to preserve, and I believe that, in the very best of faith, their assessment of the situation over the years may have been largely influenced by these interests, which could have coloured their considerations as to the future and interfered with their sober appreciation of wider horizons and the real human values.

Canada, on the other hand, which the world recognizes as the great arbiter and peace-seeking nation, has no direct or vested interests in that part of the world. Our diplomats enjoy the full confidence, respect and esteem of all the nations concerned and are therefore in the happy position of being able to see the situation objectively with open eyes and not through spectacles coloured or influenced by any vested or national interests. General Burns is already making a noble and valiant effort and would, no doubt, welcome support in his extremely difficult task.

It is, therefore, my submission, Mr. Speaker, that our country should, through its Secretary of State for External Affairs (Mr. Pearson) and his experts, promptly assess this complex mid-eastern situation and dauntlessly interject its good offices to help return to sanity those countries who stand on the brink of war and jeopardize the security of the entire world.

Careful study should be given to the fact that the vast majority of 50 million Arabs, because of their lack of education and miserable living conditions, are fertile for communist indoctrination. In all haste, therefore, the United Nations should provide substantial annual funds, either through a Marshall plan arrangement, through the Colombo plan or through any other international device, so that the standards of living of nomad Arab millions can be brought to some parallel with modern civilization. This will enable them to understand that the days of slavery are past, feudalism is archaic and that peace is the greatest gift human beings possess.

I realize, Mr. Speaker, that this might be a long process, whilst prompt action is necessary to arrest an impending conflagration. This, no doubt, partly explains the urgent conference between Sir Anthony Eden and President Eisenhower, as well as the hectic activities in Washington and London to woo Nasser away from communist enticements and thereby retain Arab support for the west. While I realize the importance of this, I also realize that it is even more important to Nasser himself. In the family of free nations he can retain for the Arabs their freedom and their independence but, as allies of Russia, they will become quickly submerged as satellites. Their leaders will become Russian puppets and their people, by an ironic quirk of history, may be exposed to the danger of possibly building twentieth century pyramids under the lash of communist taskmasters. I hope Colonel Nasser and his

advisers can see that far ahead and realize that the Arab nations are now themselves seriously at the crossroads.

We should, therefore, sincerely urge them to take a new look at their position and reconsider their relationship with their neighbours and the state of Israel in the light of the new dangers they themselves now face. They have, because of their persistent intransigence, already slipped into the communist quagmire from which they can, only with the co-operation of the west, still extricate themselves.

I am convinced that they are fully alert to their dangerous position but are crafty enough to still attempt to trade on our fears and our policy to appease. They must be made to know that this no longer exists. Consequently, now is the opportune time for the west to take an honourable and unwavering position.

We should tell Nasser bluntly: We want you on our side. We will help you retain your independence and guarantee your borders. We will help you financially in your program for economic and social reforms to raise the standard of living of your people. But we insist on having peace in the Middle East and you must stop this nonsense of threatening the annihilation of a state set up by the United Nations whose authority you must respect. We want you to know that we will never permit the action you threaten against Israel nor the creation of a second Egyptian bondage.

I would, Mr. Speaker, oppose with every ounce of my strength any form of approach that would say one word less. Under no circumstances must the free nations enter into a settlement based on fear, immoral diplomatic expediency, vested interests or appeasement of any type. That is the kind of quicksand on which our relations with the Arabs have unfortunately existed in the past. It has not only been weak and uncertain but it was historically and morally wrong. It has, moreover, proven to be a poor diplomatic assessment and has exploded in the faces of those who fostered it. Our so-called Middle East experts in London and Washington are now bewildered and running for cover. They should, therefore, alter their approach and completely abandon any form of appeasement or sacrifice if they seek a durable peace in the Middle East.

I am satisfied, Mr. Speaker, that in a sober assessment of the communist danger facing the Arab countries Colonel Nasser will realize that the advice of the free nations is honestly and sincerely given and is in the very best interests of all the Arab peoples. Contemporary history gives him good reason to appreciate the seriousness which motivates western statements because he no doubt remembers that, within the memory of this generation, the Arab people enjoyed great munificence, not from communism but from the free nations of the world. They liberated the Arabs from Turkish domination. They restored their kingdoms after the first world war. They provided them with western "know-how". They welcomed them into the family of nations and poured vast fortunes into their countries.

Moreover, it should also be emphasized that most of the Arab nations were established and recognized by international law and councils similar to the United Nations. If their own status as free and independent nations is to be respected, they must likewise respect the status of any other country established by the same authority.

The safeguarding of mutual rights and the maintenance of mutual respects are basic between free and democratic nations. With this guiding beacon in the hands of the United Nations, I am hopeful that it can prevail upon Arab nations and the state of Israel, as urged last week by our Secretary of State for External Affairs (Mr. Pearson), to sit together at a round table to discuss a *modus vivendi*.

I emphasize most solemnly and fervently, Mr. Speaker, that those who enter into peace negotiations with truth, good will and righteousness, will surely emerge from such a conference with justice, glory and dignity.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, during the time at my disposal this evening I intend to direct my remarks to the amendment and the subamendment which have been moved. As you will recall, the amendment was moved by the hon. member for Prince Albert (Mr. Diefenbaker) and it reads as follows:

> That all the words after "That" be deleted and the following substituted therefor:
> in view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance; and also condemns the government for the lack of candour with which the matter has been dealt with in this house.

Once again the opposition has to take the initiative. As reported at page 522 of *Hansard* the Prime Minister (Mr. St. Laurent) stated:

> . . . I do not think it would be fair for me to consider that the debate in the house on that matter—

He was referring to the debate on the shipment of arms to the Middle East.

—has ended.

Despite that statement by the Prime Minister, the Secretary of State for External Affairs (Mr. Pearson) skilfully avoided touching upon the subject during his speech this afternoon. Had it not been originally for the questions which were asked by the hon. member for Winnipeg North (Mr. Stewart) and by other members on this side of the house, I very much doubt whether the country would ever have heard of the shipment of these arms to Egypt and to Israel. The questions were raised by the opposition and I think that the members on this side of the house deserve credit for having brought this despicable dealing before the public eye at this time.

Reporters who first carried the story, after the question had been raised in this house, carried out their investigations and saw equipment being loaded at the Pugsley docks in the city of Saint John, New Brunswick, in the Egyptian freighter, *Star of Assuan*. They reported that aircraft and military vehicles were being loaded. In spite of the reported statements of government officials at the port of Saint John that this was only general cargo, the investigation was proceeded with. When questions were directly asked by myself in this house as to whether any equipment had been shipped over the weekend, the ministers had no knowledge of any equipment being sent. It was not until several days afterwards that the Secretary of State for External Affairs corroborated the reports. He corroborated those on January 24. Immediately following that speech by the Secretary of State for External Affairs, the hon. member for Eglinton (Mr. Fleming) analysed it and described it as serving principally to expose the fumbling and floundering way in which the government has handled this issue since it arose in this house. Then he went on to say that the issue had been characterized by evasion, want of candour, ineptitude and incompetence or a mixture of all four.

Then again this afternoon the hon. member for Prince Albert (Mr. Diefenbaker) castigated the government for the way in which it had dealt with this situation. The question still remains: Why did it take the government so long to come clean and to make a clean breast of this extremely ugly situation? In fact, anything which has been said on the government side has only underlined the confusion and the incompetence of this ill-timed action. As has already been stated this afternoon, on January 10 an article appeared in the magazine *Look* over the name of the Secretary of State for External Affairs. In it is found this sentence:

> In the Middle East war could flare up any day between Israel and the Arab states. The soviets are fanning the embers with arms shipments to Egypt.

I suggest that the ministers and the government have already added their little blow to fanning the embers of that possible conflagration which might break out there. It is against this background that we must analyse this shipment of arms to the Middle East. Against this background, when war might flare up at any moment, this government permitted the export of arms. It was certainly at a most ill-timed period. In fact, it was permitted at an extraordinarily dangerous time.

The shipments were first authorized last July. Ministerial approval was granted. During the last two or three weeks it has been extremely difficult to ascertain whether that approval was given by the cabinet, by three members of the cabinet or by one member of the cabinet himself. The description of the proceedings that was given this afternoon would make one think that perhaps only one member of the cabinet had any knowledge of the fact, although the Prime Minister stated that the cabinet accepted full responsibility for it. However, when this authorization was granted last July, although the conditions in the Middle East were extraordinarily unsettled, there was little indication that any war might be considered to be imminent. But this year, in this month when the shipments were allowed to leave this country, you can only say that conditions in the Middle East were inflamed and, as the Secretary of State for External Affairs has already said, that war might flare up at any time.

During this period since July until now, the government did nothing about these shipments of arms. They realized that the situation in the Middle East was deteriorating. Did they tighten up their administration? Did they make inquiries into whether or not it was wise to send arms to this sensitive area, with the situation rapidly deteriorating? No, they just forgot that they had authorized the shipment of any arms at all. If it had not been for the questions which we on this side of the house asked I think that their forgetfulness would have been heartily welcomed by the government as a whole. There had been no check made. There had been no attempt to revise the export permits on equipment which was being sent from this country to the Middle East.

On January 25, the Secretary of State for External Affairs (Mr. Pearson) gave a list of

the equipment which had been sent. There were three Harvard training aircraft to Egypt, the first of a consignment of 15 planes which had been authorized. These Harvard training planes were used and recognized as the best type of plane in which to train pilots for service aircraft. There were some spare parts as well as those three planes which were sent.

Then, Israel had been sent anti-tank equipment; 75 millimeter shells; tracks and spare parts for tanks. Let us remember that private traders were sending Valentine and Sherman tanks from England through France and Belgium to the Middle East. There were also 25-pounder field pieces such as the type we used during the second world war, and still a very effective weapon. There were machine guns, always convenient and handy for certain types of raiders and guerillas to carry. There were 3·7 anti-aircraft guns as well as some other items. The total came to over $2,800,000 during the last two years. You might say that those figures would not indicate there were any very large quantities of these weapons and ammunition sent. While the quantities sent have not been made available, it should be remembered that this equipment was considered by us to be obsolescent service equipment. One can well imagine, therefore, that this equipment was sold at bargain prices.

This equipment is considered by us to be obsolescent, that is not the type of equipment that our Canadian troops will require either for the defence of this country or to fulfil their NATO commitments in western Europe. We are thinking in terms of large numbers of troops equipped with modern arms, and what may be obsolescent to us may be considered a most effective weapon by other people who are not planning to have a force which would act as a deterrent to another world war. These machine guns, tanks and field artillery may be very effective weapons when used against tribesmen in the desert. Tracks and spare parts for tanks may be very useful in repairing tanks which have been shipped from elsewhere and which were demilitarized before the private traders sent them. It is bad enough for private traders to be trafficking in arms, but it is humiliating when we realize that our Canadian government has been trafficking in arms.

Some years ago this country was shocked by a series of articles which dealt with the arms trade as carried on by private manufacturers. They were entitled, "merchants of death". Is our government going to accept that title from now on if they are going to continue shipping arms? These articles on the merchants of death showed quite clearly that there was plenty of evidence to prove that wars, particularly what may be described as minor wars, were fomented in order to increase the sale of arms. It would be far-fetched to suggest that the government has any such thought, but we must remember that this government is selling our surplus equipment and taking money in return for lethal weapons which could be used against human beings. What is more despicable than anything else is that this government has stooped to sell to both sides in the dispute.

Of course the quantities have been limited and to date there is no question that the quantities which have been sent could upset the balance of arms in the Middle East. It is the principle of the government selling lethal weapons in a highly sensitive area and at a very critical time which is repugnant to me and I think repugnant to the majority of the people of Canada. The minister said it was not the policy to put a complete embargo on arms shipments except to the Sino-Soviet bloc and other countries, if any, where there was a threat to our own security. Well, from what point is that threat going to come? If war breaks out in the Middle East it is hardly likely that we, as a member of the United Nations, will be able to keep out of such a conflict. Why not put an embargo at this time on the shipment of arms to these sensitive areas? I have no quarrel about the shipment of arms to our allies in NATO or the other commonwealth countries. But why should we be shipping arms to every small country in sensitive areas?

We were told today that there were 34 such sensitive areas in the world today. It is all very well to utter pious statements that the shipments are not permitted to sensitive areas if they are of such a character that they might increase any temptation to commit aggression. But we are supplying machine guns, perhaps to trigger-happy tribesmen or nervous men on outpost duty who may very easily be tempted to commit an overt act.

It was only last December that a raid was carried out in Galilee. According to the United Nations report, no fewer than 41 Syrians were killed. Is it really necessary for us to inflame or fan these smouldering embers? When nations are facing each other and there is a possibility of war breaking out, it is not much use blaming them for getting arms from wherever they can. No; it is with the suppliers of those arms that the main responsibility rests.

At the present time we have no particular commitments with Israel any more than we have commitments with other Middle Eastern

powers. We have heard about the defensive grouping in the Middle East, which I believe was created by the United States, and that grouping includes Turkey, Iran, Pakistan and Iraq. Iraq, close to the borders of Israel, is regarded by Israel as being allied with the other Arab powers. One is not blaming Israel, and I do not blame Egypt. Egypt has become a leader of the Arab countries. And while Israel sees Egypt as the mainspring of the Arab efforts to prevent her survival, Egypt sees Israel as an intruder and potential aggressor brought into the area by the western powers. Egypt contends that it is Israel, with its large number of new settlers brought in from Europe, brought into a small and constricted area, that is responsible for the plight of 900,000 Arab refugees who have been forced to cross the border and who are today living in refugee camps in a degrading condition, both physically and morally. Israel is regarded not only as an intruder but also as a potential aggressor. As Israel's population grows, Egypt fears the new state will need more land, and where can Israel find it except just across her borders in Arab countries. She can find it only by expanding into her neighbour's territory, and so the argument runs.

If there is no war today, the Arab states must be ready to resist Israeli aggression tomorrow. And while Egypt talks of potential aggression by Israel, Egypt is suspected of aggressive motives by the Israelis. It is a tense and difficult situation, a situation which we should refuse to aggravate and, as the Secretary of State for External Affairs (Mr. Pearson) has said, we should be most anxious to find a peaceful solution to this problem. Peaceful solutions have been offered. Did Mr. Dulles, in his address before the council of foreign relations last August, not offer a guarantee, to be sponsored by the United Nations, to both Israel and the Arab states against aggression, and did Sir Anthony Eden, in his speech before the Lord Mayor's banquet at the Guildhall, as reported in the magazine, *Current History* not do the same thing? These words are given as the exact text of his address:

> Her Majesty's government and, I believe, the United States government and perhaps other powers too, would be prepared to give a formal guarantee to both sides; and that might bring real confidence and security at last. And our countries would also offer substantial help, financial and other, over this tragic problem of the refugees.
>
> All this we will do.

Surely, that is a greater deterrent against the possibility of war breaking out between those two countries than supplying of arms to both of them, which can only be considered as creating a possibility of some sudden and overt act.

[Mr. Pearkes.]

I should like to know what this government has done by way of offering a guarantee similar to that offered by the United States and by Great Britain. Are we prepared to play our part, not only by sending troops should war break out, but by letting it be known beforehand that if war does break out we will send troops? That is where the deterrent comes, having it clearly said beforehand what we will do. Has this government come out and stated what it will do? No. It forgets; it fumbles and it goes on shipping arms to both sides. I hope that this will not be considered as concluding the debate on the shipment of arms. I hope that before this debate is over the Secretary of State for External Affairs will renew the pledge which the Prime Minister gave, that for the time being no more arms will be shipped to either country, or to any area which is described as a sensitive area, unless that shipment takes place definitely to NATO, or commonwealth countries. Let us put an end to this trafficking in arms to countries which are non-NATO countries and countries which do not belong to our commonwealth. I repeat, I hope that before this debate is over the Secretary of State for External Affairs, or some other member of the government, will renew the pledge which was given the other day.

Mr. Pearson: May I ask the hon. member a question before he finishes? I am very anxious to be clear about the last remark he addressed to the government? Did I understand him to advocate that there should be an embargo against all arms shipments by Canada to members, say, of the Baghdad pact, Iran, Iraq?

Mr. Pearkes: I said, to non-NATO and to non-commonwealth countries, and I will add any other country with which we have not a definite alliance.

Mr. Donald D. Carrick (Trinity): Mr. Speaker, it is nearly ten o'clock; do you wish me to continue?

An hon. Member: Go ahead.

An hon. Member: Hurry up.

Some hon. Members: Proceed.

Mr. Carrick: I rise to take part in this debate because this is an occasion when the life of a nation is at stake. Hon. members on the other side, members of the C.C.F. party, scoff at this suggestion. It is very easy for us to sit in this chamber where we are safe and secure and to be unaware of the danger in which a small country of a million and a half people are living under the shadow of the sword.

I want to congratulate the Secretary of State for External Affairs (Mr. Pearson) upon the excellent statement of the government's policy in relation to the Middle East which he gave last Tuesday. Today we had the benefit of his statement of government policy in relation to other parts of the world. The clarity, comprehensiveness and balance of the statement indicates why the hon. member is held in such high esteem by people in all parts of the world.

I was shocked, Mr. Speaker, when the hon. member for Prince Albert (Mr. Diefenbaker) moved an amendment in this manner. I want to read that amendment to the house:

> That . . . in view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance—

That is the part I want to deal with. I say I was shocked because it constituted a refusal of help to Israel in her hour of need. I never believed that the erstwhile great Conservative party would ever adopt a policy of that kind.

I was equally shocked by the amendment of the hon. member for Rosetown-Biggar (Mr. Coldwell) because in principle his amendment affirmed the amendment made by the spokesman for the Conservative party. I say it did this in principle because the amendment was prospective and following the portion I read it added these words:

> "without at the same time making sure that peace in that area would be guaranteed either by the United Nations or by the powers that signed the tripartite agreement of 1950, namely the United States, the United Kingdom and France."

It was obvious from the remarks of the hon. gentleman that what he was contemplating was the future shipment of arms because he did not want to bind the government's hands. He affirmed the amendment of the hon. member for Prince Albert that this house disapproved the shipment of arms to Israel.

Now what do the amendments mean in substance? The Secretary of State for External Affairs in his statement of a few days ago stated that in 1954 and in 1955 the total shipment of arms of this government to Israel amounted to $2,067,685.19 and to Egypt $771,121. That is the amount of arms shipped that is being disapproved of by the amendments laid before this house.

It is clear, Mr. Speaker, that while the amendment is limited to that small sum the whole question that is raised in this house at the present time is the shipment of arms to the Middle East and it is on that basis that I want to deal with the question.

It might be useful if I were to say a few words about the history of Israel. Hon. members will recall that the Balfour declaration was made December 2, 1917. It provided for the establishment in Palestine of a national home for the Jewish people. Subsequently, after the termination of the first world war, a British mandate was set up on July 22, 1922, under the auspices of the league of nations and it was under the British mandate that Palestine carried on. In November 1947—I am not sure of these dates although I believe they are fairly accurate—the British government reached the decision that it would no longer carry on the mandate of Palestine and the United Nations resolved to set up the state of Israel under the partition agreement. I believe the partition was to take effect in the summer of 1948. It was in December 1947 that the incursion of the Arab bands began into Israel, the part that is occupied by the people who now constitute the Israeli people, and in the course of 1948 six Arab states took up arms against the people of Israel. There were Egypt, Saudi Arabia, Jordan, Syria, Iraq and Lebanon. That was a fight to the death for the people of Israel. They defended themselves in a way that won the admiration of all men in the free world. The result was that they forced Egypt and her allies to seek a truce and it was, I believe, in August 1949 that the armistice agreement was concluded. The result of what I have recounted to this point was that the state of Israel was established.

What has happened since 1949? Egypt has consistently refused to recognize Israel as a sovereign state. She would have no direct negotiations with Israel and any negotiations which occurred were conducted through a third party unless she was placed in circumstances such as the United Nations council when it was absolutely necessary for her to face Israel when she would have no other alternative.

The second major development to note during that period was that Egypt, through her ally Jordan, has consistently made attacks on the Israelis across the border into Israel. One need only take a look at the map to see what this means. It is a very easy matter for the Arabs, through Jordan, which crosses into Palestine and leaves a very narrow corridor, to make border attacks upon Israel, and since 1949 Egypt with her accomplices has continually made attacks upon the Israelis.

Some hon. Members: It is ten o'clock.

Mr. Speaker: For some time now, as a matter of fact ever since the conclusion of

the debate on the address in reply to the speech from the throne, I have wanted to present to the house a statement on the rule regarding the reading of speeches. I have not yet delivered that statement because the day following the conclusion of the debate on the address in reply to the speech from the throne was the first private members' day. Friday was the first government day and I hesitated again on Monday to take any time from private members. We have now reached Tuesday and an important debate on external affairs is proceeding which is to be resumed tomorrow. I do not wish to delay the possibility of having hon. members look at the document and if it meets with the approval of hon. members I would ask their consent to have this text printed in the *Votes and Proceedings.* If I obtain the consent of hon. members to do this I will not read it tonight and hon. members will have an opportunity to look at it as soon as it is published. If they later wish to make comments upon the statement I would imagine that arrangements could be made to that end through the usual channels.

May I point out that this statement recites the rule as established by the authorities on procedure and also the practice of this house under it. Suggestions are made. I do not contend for one moment that the suggestions that are herein contained will produce a cure-all as far as the reading of speeches is concerned, but I hope that these suggestions will be received in the spirit in which they have been prepared, namely, with the object of the improvement of our debate and thus for the good of parliament.

If it meets with the approval of hon. members, I would suggest that the text be printed in *Votes and Proceedings.* Is it agreed?

Some hon. Members: Agreed.

It being two 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:

C.G.S. "WALTER E. FOSTER"

Question No. 18—**Mr. Bell:**

1. Has the C.G.S. *Walter E. Foster* been damaged since its construction?
2. If so, where and under what circumstances?
3. What repairs have been necessary and where have they been effected?
4. Where is the C.G.S. *Walter E. Foster* now?
5. What arrangements have been made to replace this vessel in its duties?

Answer by: **Mr. Marler:**

1. Yes.

2. In carrying aids to navigation and supplies to light stations the *Walter E. Foster* sustained underwater damage when the ship grounded on an uncharted shoal in the vicinity of Flower island in Belle Isle strait and in waters outside of the established steamer track.

3. Repairs to the ship's bottom were carried out in Saint John, New Brunswick.

4. The *Walter E. Foster* is at present engaged in ice-breaking operations in the St. Lawrence river.

Questions

5. The C.G.S. *Dollard* is working in the Saint John area and the C.G.S. *Bernier* is also being assigned to these duties. Unlike the *Walter E. Foster,* neither of these vessels is suitable for ice-breaking operations.

OSHAWA, ONTARIO, ARMOURIES

Question No. 47—**Mr. Starr:**

1. Was any work performed on the armouries at Oshawa, Ontario, during the year 1955?
2. If so, of what nature?
3. What was the cost of this work?

Answer by: **Mr. Campney:**

1. Yes.

2. (a) Cleaning, repairing and waterproofing exterior brick and masonry; (b) Repainting the interior of the building; (c) Routine maintenance and minor repairs and improvements.

3. $16,471.78.

INDIAN BANDS—TRUST FUNDS

Question No. 56—**Mr. Barnett:**

1. How much money is held in trust for each of the following Indian bands; Kitimaat, Kitwancool, Kitwanga, Kitsegeucla, Hagwilget, Kispiox, Glen Vowell and Hazelton?
2. What was the source of the money in each case?

Answer by: **Mr. Pickersgill:**

Name of Band	Capital	Revenue	Source of Funds
Kitimaat	$20,321.07	$36,631.15	In capital account, land sales, gravel and timber dues. In revenue account rentals.
Kitwancool	166.18	90.46	Partly timber dues and partly shares of Indians transferred from other bands.
Kitwanga	1,162.21	646.96	Land sales, timber dues and shares of Indians transferred from other bands.
Kitsegeucla	1,254.44	1,112.15	Mainly land sales.
Hagwilget	No funds	No funds	No funds.
Kispiox	2,540.64	328.81	Timber dues.
Glen Vowell	424.64	31.88	Timber dues.
Hazelton	1,965.62	145.01	Almost entirely land sales.

67509—48

APPENDIX

CORRESPONDENCE BETWEEN CERTAIN PROVINCIAL PREMIERS AND THE PRIME MINISTER

THE PREMIER

FREDERICTON

'he Government of the province
f New Brunswick

JANUARY 27, 1956

ight Honourable Louis S. St. Laurent,
'rime Minister of Canada,
)ttawa, Canada.

)ear Mr. Prime Minister:

My colleagues and I have given careful onsideration to the proposals of your Governent in respect to its fiscal arrangements with he provinces, as set forth in your letter to me f January 6th last.

It seems to us that these proposals differ rom the older tax-rental formulas only in he method of calculating transfer payments. 'hey go very little further in remedial action r in the development of broader principle. 'hey may be somewhat more sensitive and olatile than the formulas based upon Gross Tational Product, but their ultimate impact pon Federal-Provincial fiscal relations in eneral must necessarily leave the same prob-ems unsolved—the same inequities per-etuated.

The new federal proposals offer compensa-ion for the lack of taxable capacity in only hree tax fields. Other fields, which remain or provincial exploitation and which, in the ase of New Brunswick, account for roughly wo-thirds of current revenue, are precisely hose which reflect and embody the results of nsatisfactory economic conditions over a long eriod.

Thus, the proposals of your Government hake only a very limited attack upon the roblem of how best to overcome the serious nd, indeed, tragic inability of certain prov-nces to raise, in tax fields open to them, ufficient revenue to carry out their constitu-ional responsibilities and to provide a reason-ble level of provincial services.

You will remember, Sir, that in my sub-nission to the Conference in October, I ressed the auspicious circumstances which xist, in the Canadian economy, at the present me. It was the earnest contention of our overnment in October that full advantage hould be taken of what I termed "a magnifi-ent opportunity to achieve long sought ational objectives".

Acting on this conviction, our Government ubmitted a formula which was designed to provide supplementary national adjustment grants for provinces where per capita income fell far below the Canadian average.

In this connection, I wrote you on December 30th, 1955 as follows:

> We are still convinced that a formula similar to the present tax-rental agreement or one based on tax yields should be supplemented by a National Adjustment Grant to those provinces whose per capita personal income is well below the national average, and feel strongly that the suggestion made in our submission to the October meeting was sound and equitable. Our formula would not impose a serious burden on the Federal Treasury. For a comparatively modest outlay the Federal Government would really be enabling the poorer provinces to meet their minimum essential responsibilities without imposing on their people an intolerable burden of taxation. Your proposals of January 6th contain no recognition of the foregoing contentions, and, therefore, the Government of New Brunswick must regard them as disappointing and falling far below the national objectives which should be sought and might well be achieved under the present favourable conditions of Canadian development.

It is my opinion that this feeling is shared by all New Brunswick municipalities, who have to carry an ever increasing burden of taxation. Indeed, in our province, I am very much concerned lest municipal taxation may have reached the abnormal proportions, which you so properly view with alarm.

It has seemed to our Government in approaching the whole question of fiscal arrangements, that the language of the Rowell-Sirois Report admirably expressed the objectives with reference to their recommendation concerning adjustment grants. The quotation is taken from Chapter V, Book II, of that report and reads as follows:

> They (adjustment grants) are designed to make it possible for every province to provide for its people services of average Canadian standards and they will thus alleviate distress and shameful conditions which now weaken national unity and handicap many Canadians. They are the concrete expressions of the Commission's conception of a federal system which will both preserve a healthy local autonomy and build a stronger and more united nation.

I was much encouraged by your letter of January 14th, 1955, previous to the convening of the preliminary meeting, to learn that substantially the same goal remained the settled policy of the Government of Canada. Your letter included the following admirable declaration!

> The present government has no intention of abandoning the objective of the tax rental agreements which is to make it financially possible for all the provinces whatever their tax base to perform their constitutional functions themselves and to provide a reasonable Canadian level of provincial services without an abnormal burden of taxation.

We would respectfully submit that the result of the new proposal will be to increase the differences in economic and fiscal capacity among provinces. These differences actually constitute a grave problem in achieving national unity. A majority of provinces will receive slightly more in transfer payments—those which have neglected to impose adequate taxation and have inferior services as a result—those which enjoy rich and broad tax bases with derivative benefit to their services—those which are receiving almost more revenue than they know how to spend —those, like New Brunswick, which suffer from a relatively heavy burden of provincial taxation already and yet are unable to provide an adequate level of services—all will derive revenues from these three taxes and equalization payments *on the same basis,* (substantially equal amounts per capita), irrespective of their needs.

Our Government is now asked to accept a situation which does practically nothing to relieve the special disabilities under which we have laboured for so long. The formula which we presented to the Conference envisaged transfer payments to our treasury of some ten millions of dollars more than we were receiving annually under the 1952 tax agreements. This amount is based on a realistic appraisal of our minimum requirements, if we are to be able to carry out our constitutional responsibilities. The proposal of your Government will increase payments to New Brunswick by about one million dollars annually, ten per cent of our indicated requirements.

This small percentage of the $10,000,000 special adjustment grant envisaged by our formula will not enable us to provide the health and social needs, the educational facilities and services, the public works, the material benefits and cultural advantages—all of which are the birthright of an industrious and enlightened people.

The situation is further complicated for New Brunswick by the fact that we have had to undertake an extensive program of hydroelectric development in order to meet the requirements of an expanding economy. The new mineral resources which have been discovered present opportunities which, wisely and vigorously exploited, could transform our economy, our provincial standard of living and our whole way of life. As you know, officials of your Government have expressed approval of the action taken by New Brunswick in proceeding with the construction of a large hydroelectric plant at Beechwood on the St. John River. In addition the New Brunswick Electric Power Commission must undertake very substantial expenditures on thermal generating plants, transmission lines, storages, and other capital expenditures.

Consideration of New Brunswick's position at the present time will reveal very special circumstances—some of them historic in their implications—others novel and demanding almost immediate solution. We believe that no other province outside the Maritimes can be held to be so drastically effected by the results of your Government's decisions during the next few months. The things which need to be done cannot be carried out with our own unaided resources. Yet if they are not done, opportunities for which generations of our people have patiently waited will be lost forever.

To us, Sir, your letter has come as the disappointing culmination of a now long series of meetings and submissions of various kinds, rising eventually to the level of a Federal-Provincial Conference. During this process, the almost tragic suspense of our present provincial situation has been exhaustively explained and documented. Yet, we must infer from your proposals that no consideration is being given to our special needs and responsibilities at this time in our history.

As your letter induces careful thought upon the broadest aspects of Federal-Provincial relations, my colleagues and I once more request that consideration be given to the special awards which were made as a result of the Duncan and White Commissions in 1927 and 1935 respectively. One of the basic reasons for the adjustments made by these bodies was the recognition that the Maritime provinces had never received—nor had any prospect of receiving—any accessions to their areas at Confederation. No other provinces were partners in federal union under similar conditions—hence, special awards of compensation were provided under the Royal Commissions referred to. In the language of the White Commission report, page 17:

We feel we can only deal with the claim as to public lands added to other provinces in enlargement of their original boundaries in a broad general way giving it equitable consideration as a factor of importance to be taken into account in reaching conclusions on the whole question of a just revision of subsidies as between the Maritime Provinces and the Dominion.

As stated at the Conference in October, it is our contention that the Duncan and White awards demand revision in the light of changes in the value of money and in the Canadian economy, and in recognition of our interest in the fabulous wealth which has been discovered in the Northlands. These now form a part of various provinces but were originally a portion of, or were acquired by, the Canada of Confederation into which New Brunswick came as a partner in 1867.

In view of all the foregoing facts and with the seriousness of our New Brunswick situation very much in mind, we respectfully request that the Dominion-Provincial Conference be reconvened in order that we may again present our case for special consideration.

Yours sincerely,
HUGH JOHN FLEMMING

(*Translation*):

OFFICE OF THE PREMIER
Province of Quebec
QUEBEC, January 26, 1956.

The Right Honourable
Louis S. St-Laurent, P.C., Q.C.,
Prime Minister of Canada,
Ottawa.

Dear Mr. St-Laurent:

I have noted this afternoon the contents of your letter of January 20 in reply to mine of the 18th of the same month.

Accordingly, Mr. Georges Shink, Q.C., our Comptroller of Provincial Revenue, has been informed of the change in the date of the meeting in question.

Yours sincerely,
M. L. DUPLESSIS.

(*Translation*):

OFFICE OF THE PRIME MINISTER
Canada
OTTAWA, January 20, 1956.

Hon. Maurice L. Duplessis, Q.C., LL.D.,
M.L.A.,
Premier of the Province of Quebec,
Parliament Buildings,
Quebec, Que.

Dear Mr. Duplessis:

I wish to thank you for your letter of January 18th which I received this morning. I am informing the Deputy Minister of Finance, Mr. Taylor, that a representative of the Province of Quebec will attend the meeting of the committee of officials.

I understand that those concerned were informed yesterday that the meeting will take place February 2nd rather than February 6th.

Yours sincerely,
LOUIS S. ST-LAURENT.

(*Translation*):

OFFICE OF THE PREMIER
Province of Quebec
QUEBEC, January 18, 1956.

The Rt. Hon. Louis S. St-Laurent, P.C., Q.C.,
Prime Minister of Canada,
Ottawa, Ont.

Dear Mr. St-Laurent,

Your letter of January 6th was delivered to my office on the 9th of the same month. The considerable increase in work resulting from the Session of Parliament at Quebec and an absence of a few days have prevented me from answering before today.

You state in your letter: "It would, I think, be useful to have our committee of officials meet as early in February as possible to clarify the technical details of these proposals."

I gather that this meeting will be held in Ottawa on February 6th next, and the representative of the Province of Quebec will be pleased to attend. It seems to me very definitely that it is absolutely necessary for us to know details of the proposals which are to be clarified and defined in order to thoroughly appreciate these proposals.

May I assure you, Mr. Prime Minister, that it is our earnest desire to co-operate amicably with the federal authorities towards the settlement of federal-provincial fiscal relations within the framework of the full respect of the rights and privileges of the federal and provincial governments.

Yours sincerely,
M. L. DUPLESSIS.

(*Text*):

OFFICE OF THE PRIME MINISTER
Canada
OTTAWA, JANUARY 28, 1956.

The Honourable Henry D. Hicks, M.L.A.,
Premier of Nova Scotia,
Halifax, Nova Scotia.

My dear Premier:

While we did have an opportunity to discuss in my office last week your letter of January 12, which dealt with the subject of fiscal relations, nevertheless, I am confident that you would wish to have a formal acknowledgment of your communication for your records.

Mr. Harris, of course, is considering the matters raised in your letter and, as you suggested, some of the subjects will be discussed by the officials of our two governments.

I should like to express once more my pleasure at having had the opportunity of a personal meeting with you.

Yours sincerely,

LOUIS S. ST-LAURENT.

CANADIAN NATIONAL TELEGRAPHS

OTTAWA, January 16, 1956.

The Honourable Henry D. Hicks, M.L.A.,
Premier of Nova Scotia,
Halifax, Nova Scotia.

Thank you for your letter of January 12 Hope to be able to see you in my office Central Block at 12 noon Friday January 20 if that time satisfactory to you

LOUIS S. ST-LAURENT.

CANADIAN NATIONAL TELEGRAPHS

1956 JAN 17 AM 8 53

MOA042 9-Halifax NS 17 9 16A-
Right Hon Louis St Laurent
Prime Minister of Canada Ottawa-

Twelve noon Friday January Twentieth entirely satisfactory Thank you

HENRY D. HICKS

PROVINCE OF NOVA SCOTIA

The Premier
Halifax

JANUARY 12th, 1956.

My dear Prime Minister:

I and my colleagues have considered the proposal of the Federal Government with respect to Federal-Provincial fiscal arrangements as set out in your letter of January 6th, and I should like to state briefly a few observations relating to:

(a) the objectives to be attained by such arrangements;
(b) the extent to which the tax rental agreements attained these objectives; and
(c) the extent to which the present Federal proposal may be expected to attain these objectives.

Perhaps it would not be unfair to say that the stated objectives of the Federal Government, relative to Federal-Provincial fiscal arrangements, are:

(a) to establish a more equitable system of taxation throughout Canada by reducing duplication of direct taxation and of machinery for the collection of direct taxes;
(b) to give a greater measure of stability to revenues of the provinces in order to enable them more adequately to carry out their responsibilities;
(c) to enable Canada, with the co-operation of provincial governments, to carry out fiscal and other national policies intended to maintain high levels of employment and production, and
(d) to make it financially possible for all provinces, whatever their tax base, to perform their constitutional functions themselves and to provide a reasonable Canadian level of provincial services without an abnormal burden of taxation.

I can certainly agree, without reservation, with these statements of the objectives of the Federal Government. For this reason, therefore, I suggest that we must examine any fiscal arrangements which relate to provincial revenues with a view to ascertaining the degree to which such arrangements will attain these stated objectives, and particularly those contained in clauses (b) and (d) above.

As I stated on October 3rd of last year, the tax rental agreements, partially achieved the objectives of the Federal Government, but failed to fully achieve the objectives because of the fact that some provinces were and are able to raise from within their provinces revenues greatly in excess of the amount which can be raised in some of the less favoured provinces. I do not wish to repeat my argument, so I shall simply state that in my view a lasting solution to the problems of the provinces of Canada will only be found in an arrangement which will approach, in greater measure than at present, the provision of more equal per capita revenues from all sources, thus enabling a given province to discharge its constitutional responsibilities and furnish to its people what has been called a Canadian level of essential Government services.

The present proposal in essence does not approach this objective any more nearly than do the existing tax rental agreements. Indeed, one might observe that it differs from the tax rental agreements only in that:

(a) it substitutes the per capita yield in the two highest provinces from three fields of taxation for the gross national product; and
(b) it provides for an "equalization payment" to each province which falls below the average, whether or not that province chooses to vacate the three tax fields.

In principle it gives no greater recognition to the fiscal needs of the provinces than did the tax rental agreements. I wish to impress upon you that the Federal proposal

compensates for lack of tax potential in only three fields of taxation and leaves the less favoured provinces (as do the tax rental agreements) with a per capita rate from local sources of taxation far below the national average. Unless some greater recognition is given to the inability of some provinces to raise something approaching the national average per capita yield from sources other than the three broad fields, the avowed Federal objective of making it financially possible for all the provinces, whatever their tax base, to perform their constitutional function themselves and to provide a reasonable Canadian level of provincial services will not be attained.

In my opinion, it may even be that the Federal proposal will not result in a more equitable system of taxation throughout Canada, and it may not even reduce duplication of direct taxation or the machinery for the collection of direct taxes to as great an extent as do the present tax rental agreements. Duplication of direct taxation will be completely eliminated only if all the provinces undertake to vacate all three tax fields. It could very well be that one province would wish to retain personal income tax, another corporation tax, another succession duties and another all three fields. In those provinces which retain one or more of the tax fields, there may well be a variety of rates either above or below the rates which the Federal Government will allow as a deduction from the Federal tax.

If, therefore, your letter of January 6th finally sets forth the position of the Federal Government with respect to Federal-Provincial arrangements relating to these three tax fields, it would be my hope that in some other way consideration might still be given to the position of this and some other provinces, as urged by myself and several other provincial Premiers during the October meeting.

I am somewhat disappointed that no way was found to give a guarantee of the continuation of Federal-Provincial fiscal arrangements beyond a five-year period for, whether the arrangements finally adopted are ideally suited to a given province or not, it is still important that the Government of any province can rely on the continuation of an existing arrangement for a period greater than five years, at least insofar as minimum benefits are concerned. I do note, however, that the numbered paragraph 2 of your proposal provides for a minimum payment during the continuance of the arrangement. Insofar as it is possible for me to judge summarily, this would seem to be an improvement over the provisions in the existing agreements for guaranteed minimum payments.

There are a number of minor points relating to these arrangements which will require clarification and further discussion, and officials of the Government of Nova Scotia will be ready to go to Ottawa as early in February as your officials may wish in order to consider these details. Perhaps even before that time, however, it would be helpful to have some clarification of the significance of the numbered paragraph 5 in your letter. I confess I am unable to determine the intentions of the Federal authorities from a reading of this paragraph.

Further to all the foregoing, I find that I shall be in Ottawa on Thursday and Friday, January 19th and 20th, and if convenient to you I would apprecite very much the opportunity of calling on you during that time. Some time on Friday the 20th would be most convenient with my other commitments, but I shall take the liberty of contacting your office when I arrive in Ottawa and will be glad to accommodate my schedule to your convenience if it is possible for you to see me.

Yours sincerely,
HENRY D. HICKS

The Right Honourable Louis S. St. Laurent, P.C.
Prime Minister of Canada,
Ottawa, Canada.

Ontario
Office of
The Prime Minister and President
of the Council

TORONTO, Ontario, January 10, 1956.

Dear Mr. St. Laurent:

I wish to thank you for your letter of January 6, 1956, outlining the proposal of the Government of Canada for a Federal-Provincial fiscal arrangement for the five years from April 1, 1957 to March 31, 1962.

Please be assured that this proposal will be given our most careful consideration, and I shall be in communication with you later.

Concerning the proposed meeting of the Committee of Technical Officers to clarify details, I feel confident that the early part of February will be satisfactory.

Sincerely yours,
LESLIE M. FROST.

Rt. Hon. Louis S. St. Laurent, Q.C.,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Canada.

OFFICE OF THE PRIME MINISTER
Canada

OTTAWA, January 18, 1956.

The Honourable T. C. Douglas,
Premier of Saskatchewan,
REGINA, Sask.

My dear Premier,

I wish to acknowledge your letter of January 11th, 1956, regarding federal-provincial fiscal arrangements.

I have carefully noted your comments on the proposal put forward by the Federal government and I will discuss them with my colleagues at the first opportunity. It seems to me too early at this stage to decide whether or not it would be desirable and useful to reconvene the Federal-Provincial Conference. Our next step should be for our Committee of officials to meet in the near future and I have noted with satisfaction that you agree with this suggestion. Mr. K. W. Taylor has already communicated with your representative on the Committee to fix a date for that meeting.

Yours sincerely,
L. S. St. LAURENT.

PREMIER'S OFFICE
Saskatchewan REGINA, January 11th, 1956.

The Rt. Hon. L. S. St. Laurent, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Further to my letter of January 9th, my colleagues and I have had an opportunity to examine the proposal regarding Federal-Provincial fiscal arrangements contained in your letter of January 6th.

While there are technical questions which may require clarification before we can measure their full implication, it seems to us that the proposal contained in your letter is similar in almost every respect to that which you placed before the Federal-Provincial Conference on October 3rd. You will recall that your Government emphasized that it was advancing a new approach to Dominion-Provincial fiscal arrangements, and that the terms and statistical data provided at the Conference were to be regarded merely as illustrative of this new approach. It was indicated that the final arrangements would be worked out in consultation with the provinces, and to that end you invited the provincial Premiers to express their views both as to the principles and the terms which you had outlined Your letter of January 6th indicates that your Government is now advancing a concrete plan, from which it is apparent that the representations put forward by the various provinces at the Conference and in subsequent correspondence have been rejected.

I would like to draw your attention to two points in particular to which a number of provinces have made reference. First, the standard rates put forward at the Conference for illustrative purposes would not result in the urgently needed improvement of the financial position of the provinces. The offer of an additional one-half percentage point of taxable corporation income represents no perceptible step toward this necessary objective. This is particularly so in view of the fact that no fiscal need grants are to be made available. Second the illustrative rates did not place sufficient emphasis on the imputed yields from personal income taxes relative to those from corporation income taxes, and it was very strongly urged that steps should be taken to correct this situation. Instead, your Government has increased the emphasis on taxes from corporation profits.

I feel that the objection which I voiced against your illustrative proposals applies also to your present proposal, namely the weakening of the Federal Government's control over fiscal policy by providing incentives for certain provinces to remain aloof from the tax rental agreements I find that the same guaranteed minimum is available to all provinces whether or not they enter into a tax rental agreement. Also I find that insufficient weight is being given to the principle of fiscal need which we have always considered basic to any tax rental agreement designed to give equal treatment and opportunity to all Canadians.

The Saskatchewan Government believes that the effects of this proposal are so far reaching that the Federal-Provincial Conference should be reconvened to discuss this important matter. Most of the provincial legislatures will in all probability have completed their sessions by the first week in April. I would therefore like to urge that you give consideration to the advisability of reconvening the Conference some time during the month of April. It would, of course, be useful if our technical officials could meet prior to such a conference but I am doubtful of the value of a meeting held early in February since it is unlikely that the Federal budget will have been brought down by that date. You will appreciate the fact that your 1956 budget could have an effect upon the tax structure which might seriously alter any

omputations which have been made regard-ng the tax potential on which the tax rental greements would be based.

I would like to suggest that the Premiers f the various provinces be approached to ee if they are desirous of having the Federal-Provincial Conference reconvened in April. nsofar as the Saskatchewan Government is oncerned, we would welcome such a meet-ng especially if it could be preceded by a neeting of our officials in order to discuss ny points in your proposal which might equire clarification.

Yours sincerely,
T. C. DOUGLAS.

PREMIER'S OFFICE, REGINA
Saskatchewan JANUARY 9th, 1956.

The Rt. Hon. L. S. St. Laurent, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you very much for your letter of January 6th in which you make a definite proposal regarding Federal-Provincial fiscal arrangements.

I shall be very glad to discuss this proposal with my colleagues and to advise you as to the stand of the Saskatchewan Government on this matter.

Yours sincerely,
T. C. DOUGLAS.

HOUSE OF COMMONS

Wednesday, February 1, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

THE PRIME MINISTER—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY

Mr. Speaker: I am sure that all hon. members will wish me to address our best wishes to the Prime Minister on his birthday anniversary.

(*Translation*):

We wish you a happy birthday, Mr. Prime Minister. All your colleagues, I am sure, are asking Providence to grant your fondest wishes.

(*Text*):

In our wishes we of course include the Prime Minister's distinguished wife, Madame St. Laurent, who joins us today in the celebration of this happy event. We do wish you, sir, many happy returns of the day.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, while possibly no words are needed in addition to what you have already said, perhaps on one of those happy occasions when we can all speak with complete unanimity it might be appropriate that as Leader of the Opposition I express with certainty the thoughts of all members when I say we wish the Prime Minister many happy returns of the day and joy and happiness with his family on these occasions.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, since you have expressed these wishes on behalf of the house, and the Leader of the Opposition has risen to join with you, may I say that, as I did on my own behalf this morning, I now do on behalf of my colleagues and I know all members of the house. We join in wishing the Prime Minister many happy returns, long life and good health.

Mr. E. G. Hansell (Macleod): Mr. Speaker, for us to remain silent in this corner of the house might be interpreted entirely adversely. Since you have extended the wishes of the house, Mr. Speaker, may I say that we concur in those best wishes. Not only do we wish the Prime Minister (Mr. St. Laurent) many happy returns of the day but we wish him long life, good health and happiness. I do not know whether some of us wish that he remain in his present office. We should like to see him take it easy for a while and enjoy life. But so long as he is here, or wherever he may be, we wish him the very best for his future days.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I wish to thank you as Speaker of the house and, through you, to thank all hon. members for the kind good wishes they have expressed to me on this occasion. I rejoice in the fact that the Leader of the Opposition (Mr. Drew) and the leaders of the other groups join in saying that there are happy occasions when we can be unanimous. It is a great gratification to receive these good wishes from all my colleagues in this house. I thank them for associating with me in their good wishes the members of my family, because that is something which each one of us appreciates deeply. I can assure you that I am conscious of the honour and tribute that I am receiving from all my colleagues on this occasion.

STARRED QUESTIONS

LIVES LOST IN DWELLING FIRES

Question No. 2—**Mr. Knowles:**

1. How many persons have lost their lives in Canada during the past year in fires in dwellings?
2. How many of these were children?

Mr. Dickey: Mr. Speaker, this question requests information with regard to the number of persons who have lost their lives by fires in dwellings in Canada in the past year and, as a second question, the number of such persons who were children.

The past year is 1955 and statistics for 1955 will not be available until June of this year. However, in answer to the question, I may give the house the following information for the calendar year 1954:

1 and 2.

Number of deaths from accidents caused by fire and explosion of combustible material, Canada, 1954*

		Place of Accident	
	Total	Home	Other
All ages	513	442	71
Under 1 year	25	25	—
1	38	37	1
2 years....	33	32	1
3	26	26	—
4	32	32	—
5-9	51	48	3
10-14	19	18	1
15-19	14	11	3
20 and over	275	213	62

*Latest available. Statistics for 1955 will not be available until June 1956.

Questions

DEER LODGE HOSPITAL AND VETERANS' HOME—LAY-OFFS

Question No. 6—**Mr. Knowles**

1. How many employees at Deer Lodge hospital and at the veterans' home on Academy road, Winnipeg, have been laid off or given lay-off notices since October 1, 1955?
2. What is the reason for such lay-offs?
3. In view of the years of service of such employees, and in view of the needs of these institutions, is consideration being given to cancelling such lay-offs and retaining these employees on the staffs of these institutions?

1, 2 and 3.

Mr. Lapointe: This question, Mr. Speaker, refers to the number of employees at Deer Lodge hospital and at the veterans' home on Academy road, Winnipeg, who may have been laid off since October 1, 1955, the reasons for these lay-offs and whether consideration has been given to cancelling such lay-offs.

The answer is that no employee has been laid off. Nineteen classified employees have received notice and three more will receive notice which will be effective March 31, 1956. In addition, three prevailing rate employees will be given notice unless normal staff turnover between now and March 31, 1956, permits their retention. The reason for these notices is that as a result of demolition of the old portion of the hospital there will be a reduction of 226 beds in the operating capacity for a period of some two years, and a corresponding decrease in the personnel required.

The department's establishment for 1956-57 for this institution has been adjusted accordingly and provision for salaries in the department's 1956-57 estimates has been made on the adjusted basis. The department, in cooperation with the civil service commission, is endeavouring to find alternative employment for all employees affected and has been successful so far in arranging for the placement of 12 people. Every endeavour will be made to secure employment for the other employees who will be laid off before March 31.

OLD AGE SECURITY ACT—CONTINUANCE OF PENSION

Question No. 7—**Mr. Knowles:**

1. Is consideration being given by the government to amend the Old Age Security Act to permit persons who have qualified for the pension paid thereunder to continue to receive the said pension even if they subsequently move to another country?
2. If the answer to question (1) is not yet in the affirmative, is consideration being given to amending the said act to provide for continued receipt of the old age security pension by persons who are required to move to another country for health or other specified reasons?
3. If the answers to both question (1) and question (2) are not yet in the affirmative, will this whole matter now be studied by the government?

[Mr. Dickey.]

1, 2 and 3.

Mr. Martin: The government is constantly giving consideration to any amendments to the Old Age Security Act which seem, in the light of experience, advisable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOVERNMENT ADVERTISING

Question No. 2—**Mr. Murphy (Lambton West):**

1. What was the amount spent for advertising by each department of government during the calendar year 1955?
2. What firms were employed?
3. What amount was paid each advertising firm?

DEPUTY MINISTERS

Question No. 20—**Mr. Gagnon:**

On January 1, 1956, (a) who were the deputy ministers and other persons having the rank of deputy minister, and with what departments were they respectively connected; (b) what remuneration is paid to each one?

NATIONAL PARKS

Question No. 22—**Mr. Bryson:**

1. How many national parks are there in Canada?
2. What is the name and location of each?
3. On what date was each of these parks established or opened?
4. What amount has been spent in each park to date on (a) capital construction; (b) maintenance and repairs?
5. How many miles of passable roads in each, (a) hard surface; (b) gravel; (c) earth surface?
6. What are the names and locations of national parks through which trans-Canada highway passes, and the number of miles of this highway in each park?
7. What annual revenue has been received from each park during the past five fiscal years?

NATIONAL DEFENCE—FIRES

Question No. 31— **Mr. Fraser (Peterborough):**

1. Did the Department of National Defence have any fires during the year 1955?
2. If so, what was the total (a) number of fires; (b) fire loss?
3. In all cases where the loss exceeded $5,000, what was (a) the location; (b) the service; (c) the cause; (d) the extent of fire loss?
4. Was an official inquiry held in each case?
5. If so, what were the findings?

CROWN COMPANIES

Question No. 36—**Mr. Fraser (Peterborough):**

1. What crown companies, corporations or subsidiary companies are owned by the dominion government?
2. What are the names of the directors in each case?

SALE OF OIL RIGHTS

Question No. 45—**Mr. McCullough (Moose Mountain):**

1. What was the number of land sales of oil rights during 1954 and 1955, (a) by the Department of Northern Affairs and National Resources; (b) by the Indian affairs branch of the Department of Citizenship and Immigration?
2. What constituted the basic terms of the agreement in each case?

POST OFFICE THEFTS

Question No. 60—**Mr. Hamilton (Notre Dame de Grace):**

1. Have any thefts of money, postage stamps or anything of value occurred in Canadian post offices, since April 1, 1955?
2. If so, for each such theft, (a) where did it take place; (b) what was the amount involved; (c) what was the date of the theft; (d) has court action been instituted against specific individuals; (e) what was the result of such action, if any?

AUTOMATION

Question No. 70—**Mr. Knowles:**

1. Are any departments of the federal government making studies of automation, so that plans might be formulated (a) to cope with the various problems created thereby; (b) to make sure that its advantages will be shared by all the people of Canada?
2. If so, what departments are making such studies, and what aspects of automation and its consequences is each such department studying? Are the results, to date, of such studies available?
3. If such studies are not already being made, will immediate consideration be given thereto?

MOTIONS FOR PAPERS

TRANS-CANADA PIPE LINE

Motion No. 2—**Mr. Coldwell:**

For a copy of all memoranda, correspondence, telegrams and other documents exchanged between the government of Canada and the governments of any of the provinces, since January 1, 1954, regarding proposals for the building of a trans-Canada pipe line.

UNITED STATES WHEAT DISPOSAL PROGRAM

Motion No. 3—**Mr. Argue:**

For a copy of all communications exchanged between the government of Canada and the government of the United States from January 1, 1955 to December 31, 1955, relating to the United States wheat disposal program.

Mr. Howe (Port Arthur): I regret to say, Mr. Speaker, I must declare that it is not in the public interest to bring down the correspondence referred to. I believe hon. members will agree that if there cannot be private correspondence between the government of the United States and the government of Canada on matters affecting wheat, the disposal program of both countries will be prejudiced.

I think that is self-evident.

Mr. Speaker: May I interrupt the minister to point out that since the member who is the mover of this motion is not in the house at the moment it is customary to allow the motion to stand. I suggest the minister might conclude his statement now and the hon. member may govern himself accordingly whenever he is back in the house.

Mr. Howe (Port Arthur): Perhaps my reply could stand as well.

EXPROPRIATION OF VETERANS' PROPERTY, B.C.

Motion No. 6—**Mr. Goode:**

Motions for Papers

For a copy of all correspondence, telegrams and other documents exchanged between the Minister of Veterans Affairs, the officials of the Veterans Land Act administration, Vancouver, and the province of British Columbia, from January 1, 1955 to date, regarding expropriation of property held by the veterans under the Veterans Land Act, on Patterson road, Richmond, British Columbia, said expropriation for approaches to the Oak street bridge.

Mr. Lapointe: Mr. Speaker, there is no objection to the motion being passed with the usual reservation that the government of British Columbia be advised.

Mr. Speaker: The motion is carried, subject to the reservation made by the Minister of Veterans Affairs.

CASH ADVANCES ON FARM-STORED GRAIN

Motion No. 12—**Mr. Diefenbaker:**

For a copy of all resolutions supporting the demand for cash advances on farm-stored wheat which have been received from western farm organizations and other public bodies by the Prime Minister and any of the ministers of the government, or officials of the government, since the 15th day of August, 1955.

Mr. Dickey: I understood from the hon. member that this was to stand, Mr. Speaker.

Mr. Speaker: May I request that whenever it is understood a motion is to be allowed to stand, hon. members should not let me put it, but to say so the minute I call it. If hon. members would co-operate in that sense I would appreciate it.

Motion stands.

POWER—FRASER AND COLUMBIA POTENTIALS

Motion No. 14—**Mr. Fulton:**

For a copy of all letters, memoranda, contracts, communications or instructions exchanged between the dominion government or any department or agency thereof and any other person or body, since the 1st January, 1955, concerning an investigation of the power potential of the Fraser river and/or the Columbia river and/or the feasibility and effects of the Columbia river diversion.

Mr. Lesage: Mr. Speaker, the motion requests the production of a great number of documents. I have discussed the matter with the hon. member for Kamloops, and we have both agreed on the nature of the documents to be tabled if the motion carries.

Mr. Speaker: The motion is carried, subject to the agreement entered into by the two hon. members.

HONEY MARKETING

Motion No. 21—**Mr. White (Middlesex East):**

For a copy of all correspondence, telegrams, memoranda and other documents exchanged between the dominion Department of Agriculture and any persons and companies, from January 1, 1955 to date, regarding the marketing of honey in Canada.

Inquiries of the Ministry

EXTERNAL AFFAIRS

RUSSIA—REQUEST FOR STATEMENT ON INVITATION TO EXCHANGE PARLIAMENTARY DELEGATIONS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to refer to a statement that was made yesterday in connection with what may be regarded as an invitation by the Soviet government to Canada to send a parliamentary delegation to their country and, I would assume also, to give consideration to the sending of a delegation from that country to Canada.

Your Honour stated that a meeting had been held between yourself and the whips of the parties in regard to this matter. The whips of the parties received a statement that had been issued on February 12 of last year by the supreme soviet of the Union of Soviet Socialist Republics, and also a translation of a message to the Canadian embassy on the same day, which may be regarded as conveying something in the nature of an invitation.

I submit, Mr. Speaker, that this is a matter that requires to be dealt with first of all by the government. I am not suggesting for a moment that the full responsibility rests with the government. I would emphasize, on the contrary, that the ultimate decision should rest with parliament. However, it is not within the knowledge of any of the hon. members, and presumably not within the knowledge of anyone outside the government itself, as to what has taken place between the two governments. There may have been invitations. In fact, I understand from the press reports that a further invitation was extended to the Secretary of State for External Affairs (Mr. Pearson) while he was in Moscow. The consideration of any proposal of this kind also calls for certain government decisions as to the manner in which such a delegation could be arranged, the time at which it should be done and, what is of great importance, the means of transportation that would be provided to carry such a delegation to Russia or to any other country. I therefore submit, Mr. Speaker—

Mr. Speaker: Order. May I interrupt the hon. Leader of the Opposition. I do this with great regret, but I am sure he is not aware of the nature of the discussions which took place last Friday in my chamber when the chief whips of the four parties represented in this house attended.

The declaration referred to by the hon. Leader of the Opposition, the one which he says is dated February 9, 1955—

Mr. Rowe: February 12.

Mr. Speaker: —was referred to in this house on a few occasions during the last session and also before the standing committee on external affairs. During the recess the matter was left in abeyance and at the beginning of this session the matter was renewed in the form of a question which was addressed to the Secretary of State for External Affairs (Mr. Pearson) by the hon. member for Mackenzie (Mr. Nicholson) which appears in *Hansard* of Friday last at page 600 and to which the Secretary of State for External Affairs replied:

> The matter is now before the Speakers of the two houses.

At three o'clock in the afternoon of the very same day a meeting of the whips was called and held in my office and the hon. member who is the chief whip of the party which the hon. Leader of the Opposition leads was present and all the others as well. I think that in fairness to them and in fairness to the hon. Leader of the Opposition I should point out that at that meeting it was agreed that the matter would be studied, that the whips would place the subject matter of that declaration before their caucuses which were expected to be held the following Wednesday, namely today, and that in the meantime nothing other than an insignificant comment was to be given to the press and no other word was to be mentioned about it until the report of another meeting which was to be held after the caucuses in my office was released.

The hon. Leader of the Opposition now refers to the matter in the house and I thought I would interrupt him to inform him of this, because I am sure that if it had been known that the matter would come up in this way, and not in the way suggested at the meeting of the whips last Friday, the other leaders might have been prepared to deal with the matter. But as it is now there is no question before the house to bring up this matter without any notice while the other party leaders and other hon. members may expect it to be brought up, if at all, in a much different way. I thought I would point that out to the hon. Leader of the Opposition.

Mr. Drew: Yes, Mr. Speaker, I was quite aware of the circumstances and, as has been indicated, the matter was referred to me and was dealt with in the way that has been customary in regard to matters of major policy decisions and particularly in regard to matters where knowledge is peculiarly in the possession of the government. I would be very happy to meet with the Prime Minister (Mr. St. Laurent) to discuss this matter at any time, as I am sure would be the leaders of the other parties.

TRADE

REFERENCE TO UNITED STATES INVESTMENTS IN CANADA OFFSETTING TRADE DEFICIT

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, in view of the answer I recently received from the Minister of Trade and Commerce to the effect that the government is not unhappy about our growing trade deficit with the United States, may I ask what assurance the minister can give to the Canadian people that United States investments in Canada will continue to offset our growing trade deficit with the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, in asking his question my hon. friend has stated an allegation which I doubt is correct. I am not sure that United States investments presently are offsetting the current trade deficit. I would point out that the Canadian dollar is still at a premium, which indicates no lack of confidence in financial circles about the present situation. I am aware also that when Canada has a booming economy we have a large trade deficit with the United States and when we are in a depression we have a favourable trade position with the United States. No one seems to be very happy about the latter situation. I suggest that the question should properly be answered by the Minister of Finance (Mr. Harris), but I will say that my answer expresses my own opinion.

NATIONAL PARKS

PRINCE ALBERT—CHANGE OF SUPERINTENDENT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources, notice of which I have given. Has any change been made in the superintendency of the Prince Albert national park and, if so, what was the reason?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, it is the intention of the department to transfer the present superintendent at Jasper to Prince Albert national park. This is according to the policy announced last year of periodically rotating park superintendents across Canada.

GRAIN

WHEAT—INQUIRY AS TO PRICES OF GRADES 4, 5 AND 6

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of the reported sale of wheat to Poland, would the minister tell the house how much the prices of grades 4, 5 and 6 wheat have been reduced during the last six months?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Surely that is a question for the order paper.

[*Later:*]

Mr. Rowe: In view of the unusually conspicuous caution of the Minister of Trade and Commerce in replying to my first question I should like to ask a supplementary question. Would the Prime Minister or the Minister of Trade and Commerce say what prospect there is of making a considerable sale of wheat to Russia at the present time, in view of the visit to our country of the Russian trade officials?

Mr. Howe (Port Arthur): I am not able to answer that question. The Russian trade delegation arrived here yesterday. I understand they are meeting with officials of the department at three o'clock this afternoon. I suppose that the results of their discussions will emerge in due course, and at that time I will be very pleased to make a statement.

COMBINES INVESTIGATION ACT

BEER—INQUIRY AS TO ACTION TO BE TAKEN CONCERNING ALLEGED COMBINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Has a decision yet been reached as to what action, if any, will be taken with respect to the report concerning an alleged combine in the manufacture, sale and distribution of beer in Canada? I refer to the report tabled by the minister last June.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to thank my hon. friend for having given me notice of his question in these terms:

> You have probably seen the article that begins on page 7 herein, which is continued on page 28. I am prompted thereby to ask you on orders of the day if you have yet decided what steps to take in connection with the beer combine report.

The reference there is to an article in the February, 1956, issue of the United Church *Observer* written by Rev. Dr. James R. Mutchmor.

I do not think I can answer the hon. member's question better than to say that I wrote to Rev. Dr. Mutchmor, the author of this article, on December 28, 1955, advising him that the beer report was receiving the most careful study, both within the department and by outside counsel who had been retained in the usual manner to consider it.

Inquiries of the Ministry

Having received a further inquiry from Rev. Dr. James R. Mutchmor, I wrote to him again on January 26, 1956, stating that I could add very little to my letter of December 28 except to mention that some delay had been occasioned by the serious illness of the outside counsel whom we had consulted, who had had to undergo a serious operation before he had completed his opinion, and who will be unable to return to the matter for several weeks.

While I am on my feet I think perhaps I should take advantage of this opportunity to correct a statement in this aforesaid magazine article which has been marked by my hon. friend from Winnipeg North Centre, I presume. I do not know who else would have marked it. On page 28 of this magazine which was sent to me the following statement, referring to Hon. John Bracken, appears:

> He had read the federal government report on the alleged beer combine. He probably consulted with his old friend, ex-premier and now federal justice minister Stuart Garson. The result is the sting in the tail of the Bracken report, namely, the proposal that the Manitoba government, not the Manitoba brewers, fix the wholesale or buying, as well as the selling price of beer.

The reference is to Mr. Bracken. I should like to say that since my old and continuing friend Mr. Bracken was appointed as a royal commissioner by the Manitoba government it just happened that I have not had occasion to speak to him either upon the subject referred to in this magazine or upon any subject whatever.

NATIONAL DEFENCE

EXERCISE "CRACKERJACK"—EFFECTIVENESS OF NORTHERN AIR DEFENCES

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of National Defence. Has the minister made any assessment of the effectiveness of our northern air defences as disclosed by exercise "Crackerjack", and is he in a position to inform the house of his conclusions?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I hardly think this is a question for the orders of the day. I should think it would be a question to be dealt with on the estimates. I am not prepared to give a full report on a matter of that kind on short notice.

Mr. Speaker: I think that the minister is quite right. He cannot answer this question in two or three sentences. He will have to make a statement on the matter later after he has given it study. It is a matter that will have to come up in debate later, not at this stage in the form of a question seeking information.

[Mr. Garson.]

AIR TRANSPORT

STATEMENT AS TO CHANGES IN SAFETY REGULATIONS, FLIGHT HOURS, ETC.

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Transport if he is yet in a position to answer my question of last Wednesday with respect to whether there have been any representations asking for any change in the matter of flight hours and hours between flights for air-line pilots. Possibly he may also have an answer to the other question that was asked at the same time.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the question just asked by the hon. member will perhaps enable me to deal with his question and another question asked by the hon. member for York West.

Last week the hon. member for York West asked whether, as the result of the reports made available some time ago with respect to airplane crashes at Moose Jaw and Brampton, I had made a decision as to any changes which might be made in the air regulations to provide greater safety in the air. At the hon. member's request I have delayed answering his question.

In reply to the hon. member I wish to state that no changes in the air regulations have been made since the accidents to which the hon. member referred, but at the same time I should point out that the subject of safety in the air is not one to be dealt with by changes in the air regulations but rather by other action.

It seems to me that in replying to the hon. member's question it would not be suitable for me to take on the orders of the day the time required to deal with the whole subject of safety in the air, but so as to prevent any misconception arising upon this important matter I think I should say that the officials of my department, after the above mentioned accidents, made a thorough and comprehensive review of all aspects of safety in the air and that this matter is constantly under consideration.

Following that review action was taken on a number of matters. It would take too long at this time to relate all that has been done, but I might instance as examples the decision of my department to place orders for a number of surveillance radar sets to be installed at major airports, changes in air navigation orders to provide for vertical spacing between aircraft in flight and to increase the minimum visibility limits for visual flying, the provision of a substantial increase in the number of personnel for air

traffic control and the opening of two schools for the training of this personnel, the completion of the first section of the new visual omni range airway installations and the placing of orders for the remainder of this new airway program, the actual relocation of a section of an airway, the investigation of airborne radar, and the experimental installation of airborne collision lights.

I should perhaps point out to the hon. member that air regulations are not the main medium through which my department acts in these matters, and that if he was referring to regulatory action his reference should have been to air navigation orders. Certain matters connected with the air navigation orders and air traffic controls are still under discussion with the industry.

May I suggest to the hon. member that the whole subject of safety in the air might more appropriately be dealt with when the estimates of my department are under discussion when I shall, if so requested, acquaint all hon. members with the very real efforts that my departmental officials have made to assure safety in the air.

Now, if I may come to the question asked by the hon. member for Winnipeg North Centre with respect to whether representations had been received by myself or by the air transport board asking for any change in the matter of flight hours and hours between flights for aeroplane pilots, I should first tell the hon. member that this is not a matter falling within the jurisdiction of the air transport board and that no representations on this matter have been received by myself, although the whole subject of hours of flight, rest periods, etc., has been reviewed by my departmental officials with individual operators and is under discussion in the international civil aviation organization.

CANADIAN NATIONAL RAILWAYS

STATEMENT AS TO RE-EMPLOYMENT OF EMPLOYEES IN NEWFOUNDLAND

On the orders of the day:

Hon. George C. Marler (Minister of Transport): I should like to answer a question asked yesterday by the hon. member for Trinity-Conception. The hon. member inquired if assurance could be given that employees of the Canadian National Railways in Newfoundland who have received notice of termination of employment, the number of whom he gave as 168, will be re-employed in some other capacity.

The management of the Canadian National inform me that notices of termination of employment have not been sent to 168 employees in Newfoundland. If the inquiry arises from the completion of the dieselization program previously announced by the railway, the management state that as delivery of diesel equipment commences, possibly next summer, there will be adjustments and reductions in motive power staff over a 9 to 12 month period, but that every effort will be made to place in other railway work the employees affected.

HOUSING

ST. CATHARINES—REPOSSESSION OF HOMES OF MEN ON STRIKE

On the orders of the day:

Hon. Roch Pinard (Acting Minister of Public Works): Yesterday the hon. member for Saskatoon asked me, as Acting Minister of Public Works, a question regarding Central Mortgage and Housing Corporation. I had received notice of this question previously from the hon. member for York South who is now confined at home owing to illness, which we all deplore and regret. The question reads as follows:

> Is it the policy of Central Mortgage and Housing Corporation to repossess the homes of men on strike at St. Catharines who, because of the strike, have been unable to meet their payments? If so, how many orders for repossession have already been issued?

In answer to the first part of the question concerning policy, the policy of the government, as followed by Central Mortgage and Housing Corporation, in relation to purchasers of houses from the corporation who are temporarily unemployed was outlined by the Minister of Public Works on March 30, 1954. The same policy is now being followed in St. Catharines. As indicated in the statement by the minister at that time, the corporation does not follow a policy of waiving or postponing monthly instalments on a wholesale basis. Each case is dealt with on its merits.

With relation to the second part of the question, I may inform the hon. member that since the strike at the McKinnon Industries plant commenced there has been one cancellation of an agreement for sale, followed by repossession of the property, in the St. Catharines area out of 1,682 agreements. Arrears in this case had accumulated prior to the commencement of the strike. In addition, there has also been one house repossessed from an occupant who could not be reinstated because he did not qualify as a tenant under the corporation's regulations.

At the present time there are 13 orders for repossession in the hands of the sheriff, but action is being withheld on these pending

negotiations now going on between representatives of the union and officials of the corporation. It is hoped that as a result of these negotiations the 13 purchasers will be reinstated and a procedure worked out for the handling of other cases involving union personnel that may arise during the continuance of the strike.

PENSIONS

STATEMENT ON REQUESTED INCREASE IN PENSIONS OF SUPERANNUATED CIVIL SERVANTS

On the orders of the day:

Hon. Roch Pinard (Secretary of State): I should like to answer a question asked of me by the hon. member for Peel on January 26. The hon. member asked me whether consideration was being given to increasing the pensions of the superannuated civil servants. As I indicated then to the hon. member, this matter concerns the Minister of Finance (Mr. Harris) and questions relating to the pensions of retired civil servants are more appropriately directed to him since implementation of changes in this respect rests with the superannuation branch of the Department of Finance. In fact, as my hon. friend knows, two similar questions were asked by the hon. member for Winnipeg North Centre (Mr. Knowles) of the Minister of Finance. One was a written question and the other was an oral question. To those two questions answers were given in the negative by the Minister of Finance.

Mr. Knowles: That is all the Minister of Finance ever says. He just says no.

FINANCE

UNITED STATES INVESTMENT IN CANADA—LEVEL OF CANADIAN DOLLAR

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Arising out of the answer given a moment ago by the Minister of Trade and Commerce to the question asked by the hon. member for Burnaby-Coquitlam, I should like to direct a question to the parliamentary assistant to the Minister of Finance in the absence of the minister. Can the parliamentary assistant tell us to what levels the Canadian dollar might fall if United States investment in Canada should decline, or even cease?

Some hon. Members: Oh, oh.

Mr. Speaker: Orders of the day.

[*Later:*]

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Might I ask the Prime Minister whether he is in a position to answer the question asked by the hon. member for Humboldt-Melfort?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. I should not attempt, even on my birthday, to be a prophet.

MEAT

HOGS—REFUNDS IN PURCHASES BELOW FLOOR PRICE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I wish to direct a question to the Minister of Agriculture. In his absence I trust he will take it as notice. Are producers who receive less than the floor price for hogs required to apply directly to the Department of Agriculture for settlement of the difference in price?

Mr. Speaker: I take it that the question will be taken as notice.

WAYS AND MEANS

The house resumed, from Tuesday, January 31, consideration of the motion of the Secretary of State for External Affairs that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

EXTERNAL AFFAIRS

Mr. Donald D. Carrick (Trinity): Mr. Speaker, at the conclusion of the sitting last night I was enjoying the privilege of addressing this house on the amendment to the motion moved by the hon. member for Prince Albert (Mr. Diefenbaker) and the subamendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). The effect of the amendments is to express disapproval of this government's policy in authorizing the shipment of arms to the Near East and, in precise terms, its policy in authorizing the shipment of arms to Israel and to Egypt, amounting in 1954 and 1955 to $2,067,685.19 to Israel and $771,121 to Egypt. I pointed out that while the amendments were limited to that precise issue, the issue in fact before the house was a good deal wider and that the issue raised the whole question of the policy of this government in shipping arms to the Middle East and its future policy. I propose to deal with the motions on that basis.

I thought it useful to inform the house in a brief way of the events which transpired resulting in the establishment of Israel as a nation and I recalled the fact that there was the resolution of the United Nations in 1947

authorizing the partition of Palestine, and I mentioned the attacks by the Arab nations in order to prevent the partition from taking place in 1948. The Arabs were unsuccessful in that war against the Israelis who eventually compelled them to sign a truce in 1948; and in August 1949 armistice agreements were signed between Israel and the Arab states. It was out of the crucible of war that Israel was formed. At the time of adjournment I was about to tell the house of the events which have transpired since 1949 between Israel and Egypt. I have mentioned that Egypt has persistently refused to recognize Israel. It will not meet any delegates of Israel except in circumstances in which it cannot be avoided, such as before the United Nations; and it will not negotiate directly with Israel on any of the issues or problems between them.

I now come to the second point dealing with the relations between Egypt and Israel during that period, and I refer to the constant attacks that have been made by the Arab states under the instigation of Egypt upon the territory of Israel. The purpose of these attacks is to terrorize the Israelis because it prevents the settlement and economic development of Israel in the border areas. These attacks are not sporadic or spontaneous ones. They are a matter of calculated policy of the Arab government.

In November, 1952, the Arab representatives on the mixed armistice commission formally declared that border incidents were to be exploited in order to prevent the armistice from being effective. Recently the Cairo radio described the perpetrators of these raids as commandos and heroes in the war against Israel. I call the attention of hon. gentlemen to that expression "the war against Israel". It throws some light on the attitude of Egypt towards Israel.

Another event of great importance that has taken place during these years is the blockade of the Suez canal by the Egyptians with respect to all ships carrying goods to Israel. That blockade was condemned by the security council of the United Nations in September 1951, and it constitutes a threat to peace and undermines the authority of the United Nations in the Middle East.

Reference has been made in this house to the refugee question. It should be noted by hon. members how those Arab refugees came to be in the area they now occupy outside of Israel. It was not the Israelis who drove out the Arab refugees. It was the Grand Mufti of Jerusalem, the spiritual head of the Moslems in that area, who instructed the Arabs to leave Israel when the Arabs first declared war against Israel. It was an attempt to disrupt the economy of Israel.

What has been done by Israel about the Arab problem? They have removed the block on the blocked bank accounts of the Arabs who left Israel, and the money has been paid over to the Arabs. They have also agreed to pay compensation to Arab refugees who have left the country for their losses of property.

The Israelis have agreed to participate in an international fund to make contributions to the settlement of Arabs in Arab countries. The reaction of the Egyptian government to this proposal has been a refusal to even discuss the matter with the Israeli government. The hon. member for Cartier (Mr. Crestohl) and the hon. member for Fraser Valley (Mr. Patterson) have both put before the house statements made by leaders of Arab governments or spokesmen for Arab governments which make it quite clear that the purpose of the Arab governments is to drive the Israelis into the sea. It would only be taking up the time of the house unnecessarily if I were to repeat those statements, because they make quite clear the irreconcilable hostility of the Egyptian government to the Israeli government.

What is the present situation? Up to about September, 1955, there was an uneasy truce in the Middle East between the Arabs and the Israelis. It was an uneasy truce because there was an uneasy balance of arms. In September 1955, the balance was upset by the announcement made to the world that Russia, through Czechoslovakia, was shipping $80 million worth of arms to Egypt. This created a new problem in the Middle East, and was recently described by former president Truman, in a statement to which I shall refer later, as a threat to the peace of the world.

The hon. member for Cartier has dealt very comprehensively with the background of the Middle East problem. This problem is not peculiar to the Middle East alone but is a world problem. The hon. member has sketched very clearly and very convincingly the part that Russia is playing in this difficulty. In fact, Russia has intruded herself into the Middle East and Egypt is the latest pawn in Russia's game.

We know that the minister of external affairs is proposing to hold discussions in the near future with the Prime Minister of Great Britain. If it would not be presumptuous I have some suggestions which I should like to make. Of course, the first suggestion is one that all of us know will be acted upon, and that is that every effort be made by the governments of the United Kingdom, the United States and Canada to bring about a settlement of the problems between the Arabs and the Israelis. The minister dealt with the matter in the address

he made last Tuesday and pointed out what he considered certain essential elements in that settlement would be. But those of us who are familiar with the history of Arab-Israeli relations could have but little confidence in the outcome of those efforts. I suggest that other steps should be taken and taken immediately. The proposal I make to the minister is this. He should urge the United Kingdom and the United States, with Canada, to arm Israel immediately with all arms that may be necessary in order to preserve the territorial integrity of Israel. Secondly, the United Kingdom, the United States and Canada should agree to guarantee the territorial integrity of Israel against any aggression. Thirdly, steps should be taken under the auspices of the United Nations to place an international force at the disposal of General Burns to police the border areas.

We must recognize, Mr. Speaker, that it is the fundamental right of every country to defend itself; that is a fundamental right we have enjoyed in Canada. Israel cannot defend herself at the present time without arms from the western nations, because the western nations constitute the only source from which Israel can obtain arms. If we deny arms to Israel we deny Israel the fundamental right to defend herself. On the major issue of Israel's right to survive, Israel is morally right and Egypt is morally wrong. It is the duty of countries to succour those who are morally right.

There is an even stronger reason why arms should be supplied to Israel. By supplying arms to Israel Canada is making the greatest contribution it can to the preservation of peace in the Middle East. There is no possibility of Israel attacking Egypt. I think it is quite clear that the stronger Israel is the less likelihood there is of Egypt attacking Israel. For that reason I say that the strongest deterrent to upsetting the peace in the Middle East is a strong Israel.

I remind hon. members that this government has acted on the policy of the preservation of peace through strength. It was the present Prime Minister (Mr. St. Laurent) who, in the United Nations assembly in September, 1947, enunciated the principle of peace through strength. One result of this was the creation of NATO. This government has followed the principle of the preservation of peace through strength in NATO. The United Kingdom has followed it in the Middle East treaty organization, sometimes called the Baghdad pact. The United States has followed it in the southeast Asia treaty organization. Israel should not be denied the possibility of peace which we admit comes only through strength.

There is another reason why the western powers must not fail Israel in this crisis. Israel was created by the United Nations and is one of its members. The basis of the United Nations is its moral authority. If Israel were permitted to disappear, the moral authority of the United Nations would be irretrievably undermined and the peoples of the world would cease to believe in the United Nations.

I suggest there is another reason why Canada should supply arms to Israel. It is because in the realm of diplomacy the refusal of this country, the United Kingdom and the United States to supply arms to Israel constitutes an unfriendly act. The refusal to supply arms to either party in this situation is neutrality in form only; in substance, it is an unfriendly act towards Israel because Egypt is receiving all the arms she needs from Russia. How can our refusal to grant arms to Israel be anything else but an unfriendly act?

It should be noted by hon. members that Israel is at the moment the only true democracy in the Middle East. Every time a democracy is crushed under the weight of communist oppression, the menace to the free world increases. We in Canada cannot permit Israel to be blotted out and written off as expendable. Every time a light of democracy goes out, the world of freedom becomes a little darker.

I point out another consideration to hon. gentlemen. It is this. Israel could be an outpost and a source of security for the western world in the Middle East. Hon. members are familiar with what has happened in Egypt. The Egyptians have driven the British out of the Suez except for a small remnant garrison, and I believe that must be evacuated by the middle of May this year. A spokesman for the Egyptian government has said that a provision in the treaty—which gives Britain the right, in cases of emergency and security, to return to the Suez canal—will not be honoured. The troops that Great Britain has in Cyprus and in Jordan at the present time occupy a precarious position. Israel could constitute an arsenal for the democracies of the free world in the Middle East.

Hon. members will be interested in the recommendation of former president Harry S. Truman on this question, which was published in the New York *Times* on January 29 of this year. This is what he said with reference to the Middle East:

> We must counteract every attempt by the Soviet union to upset the present precarious balance of power in this area. This requires that the United States should now provide the defensive arms needed by Israel to protect itself against any aggression made possible by the introduction of communist arms.

The question has been raised, what effect would it have upon Egypt if arms are furnished by Canada and the United States and the United Kingdom to Israel? The question has been raised whether it would have the effect of driving Egypt into the arms of Russia. I say, Mr. Speaker, Egypt has already aligned herself with Russia. Furthermore, when Egypt made the deal with Russia she must have known that the inevitable reaction of the western world would be to supply arms to Israel, because no other course remains open. Egypt will draw near to Russia only if she considers her self interest requires it, and nothing that this government does by way of shipment of arms to Israel is going to change one bit the basis of Egypt's decision to draw close to Russia. But regardless of what the reaction of Egypt may be, we must see that Israel is preserved.

In summary, Mr. Speaker, may I just say my suggestion to the minister is that every effort be made to establish peace between the Israelis and the Egyptians, but that immediately the minister urge the United Kingdom and the United States, with the Canadian government, to supply sufficient arms to Israel to enable her to defend herself against any aggression; also these countries should guarantee the territorial integrity of Israel, and lastly, that an international force be established under General Burns to patrol the border area. Moral forces are still the strongest forces in this world. The free world must not default in its moral obligation to assist Israel.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, this debate has dealt substantially with two subjects, and tion has been directed to the shipment of arms by this government and the relation of that shipment to international affairs. There has also been discussion of the position of communist China and the possible recognition of the government of that country. There has further been a reference by the Secretary of State for External Affairs (Mr. Pearson) to Germany and the situation there, to which I shall refer briefly. There have been very useful and informative statements in regard to the visit by the Secretary of State for External Affairs to Russia and to other countries in the east within the past few months.

I propose today to deal particularly with the subject of the shipment of arms, what that means from the point of view of our international policies, and also what it means in relation to the responsibility of this parliament and the relationship of government to parliament. I intend also to refer to the subject of communist China, which in fact was the subject which prompted this debate in the first instance, although the Secretary of State for External Affairs dealt with it very briefly.

The statement made by the Prime Minister in this house was a terrible statement, Mr. Speaker. It was a terrible admission of the way in which this parliament is treated by this government. There are no satisfactory explanations of any kind for the incredible record of evasion, misstatement, hiding of the facts, backing away from earlier statements, and finally the admission that most of the earlier statements had been wrong and that everything that had been done had been done by one man under the mistaken idea that he was doing the wrong thing. I make that last statement for this reason. We now find that the very shipment of aircraft which started this whole debate was done under the authority of the Minister of Trade and Commerce (Mr. Howe). We have the statement of the Minister of Trade and Commerce that when he said so emphatically on one occasion there was an order in council he did so believing it was necessary to have an order in council before shipments of that kind could be made. If the Minister of Trade and Commerce, who is also the Minister of Defence Production, does not know when orders in council are needed and when they are not, then surely we have the most glaring admission possible as to why the responsibilities now in his hands should not be entrusted to him. If he does not know when an order in council is needed, then how are we to have any assurance whatever that we get the proper information at the appropriate time?

This goes far beyond the question of shipment of aircraft or the shipment of weapons, very disturbing and very serious though that is. This goes right to the root of the whole question of our parliamentary system. From January 11 to January 31, a matter of twenty days, we had a series of differing answers to questions we had asked about the same subject. Now, in the face of that, how are we to know when we can accept any statement of the government? After all, we had the very illuminating statement by the Minister of Agriculture (Mr. Gardiner), not made to this house but made to another gathering in Ottawa, which was duly reported as things are reported in a free press. The Minister of Agriculture offered an example to his associates in his own party of the way in which debate should be conducted. He explained an occasion when he had disagreed violently with the government of Mr Mackenzie King. Nevertheless he finally found himself in a minority and when it came into the house he was the minister who

presented the argument in support of the thing in which he disbelieved. The importance of this story is that the minister was offering this as an example of the way things should be done. He said as he came out of the house that he was greeted by one of the other members who said, "Jimmie, if you only believed in that, what a job you could have done". The minister went on after that to say, "I gave you this example to show you the way things should be dealt with", or words to that effect.

I am inclined to wonder what the situation might be if we asked the Minister of Agriculture (Mr. Gardiner) if he really believed what he was saying when he answered a statement in this house. It might be contrary to the rules but the fact remains that we would be justified in asking him that question on the basis of his own explanation of the way in which he conducts the business of the government in this house. Even without that illuminating example at the gathering where people were learning a lesson from the sages of the party, which example we now have before us, the example could not be reconciled because right along the front benches we get different statements about the same subject, finally winding up with the thing that many of us suspected before, and that is that it was really a one-man show.

The fact is they all thought it was covered by an order in council. They now find that the Minister of Trade and Commerce apparently did it without even the ministerial consultation he had indicated was appropriate under the circumstances. Has this one minister become the minister of external affairs? We do of course remember that for a while he apparently became the minister of justice. There are hon. members who will recall the control he exercised over that department under the Combines Investigation Act. Has the Minister of Trade and Commerce also become the minister of national defence? In this case he has assumed the responsibility of determining what weapons and arms were needed in an extremely critical area of the world and it is quite obvious from the answers of the Minister of National Defence that he knew nothing about it, even less than usual.

We therefore find the Minister of Trade and Commerce substituting himself for the Minister of National Defence as well. I do not know how much farther the influence goes but, Mr. Speaker, if this is the situation with which we are confronted today surely there is not a single hon. member opposite who in his own mind, regardless of what he may say publicly, will be in any uncertainty now as to why we conducted the debate we did last summer. Surely there is not an hon. member opposite who does not now understand why we are concerned about too much power being put in the hands of this one minister. We have seen the evidence of what he does with the power he has, and if that minister thought he should have had an order in council and did not bother to have one passed then it is perfectly clear that he would do anything else without an order in council whether or not he should have it. In this case it was only an accident apparently that he did not need one if, in fact, he did not. We do not yet know just what the circumstances were. We have the ingenious explanation that an order in council is needed if it is the government that is sending the arms out, but if it is a private firm sending them out then they do not need the order in council. That, Mr. Speaker, is one of the most shocking admissions that we have had in this house in relation to a most delicate and difficult international situation. All that is needed to evade the supervision of this government in discharging its responsibilities is to make sure that arms shipments get into the hands of some private organization, which the government can do; under those circumstances an order in council is not needed and it can be done at the instance of a single minister who does not even remember afterwards to tell the house about what he has done when he is asked a question concerning it.

This is a cynical, outrageous transaction. It did not require 20 days to find out the facts which were finally presented to us.

Yesterday the Prime Minister (Mr. St. Laurent) in dealing with this subject had this to say, as reported at page 701 of *Hansard:*

> The Minister of Trade and Commerce, on a question of privilege late Friday afternoon, explained that he had incorrectly referred to an order in council when what he really meant was a ministerial decision with respect to the issue of an export permit for the shipment of Harvard trainers to Egypt.

This was no inadvertent answer, Mr. Speaker; this was a subject that had been before the house for three weeks. This was a subject that had been before the house and direct questions were asked in relation to it. On more than one occasion the Minister of Trade and Commerce in the most emphatic, and I might say offensive terms, chided those who questioned in any way the accuracy of his statement as to the date on which the order in council had been passed.

This raises another question, Mr. Speaker. The Prime Minister has told us that it was a decision by the Minister of Trade and Commerce. Now this happens at a time when the Secretary of State for External Affairs has been emphasizing to us the dangers in the Middle East. Those dangers are not

diminishing; we have been told they have been increasing. If ever proof were needed that the time is overdue for the business of the people of Canada to be brought back under the control of this parliament it is right now in the face of these admissions of the past few days. At the very time this was being discussed here, at the very time in fact that the first three aircraft of this order were moving in the *Star of Assuan* to Egypt, President Eisenhower and Prime Minister Eden were meeting in Washington discussing ways and means of avoiding pressure in the Middle East.

May I remind the hon. member who has just spoken about the denial of arms to Israel. We are talking about the supply of aircraft to Egypt and that is what brought up this whole question before the house. If the hon. member has such heart-burnings about Israel, then let him rise and demand that there be no further aircraft shipped, that the three now on the *Star of Assuan* be not delivered and that the 12 aircraft still in Canada be held here, and then perhaps his words will have some weight.

An hon. Member: That is not what the amendment concerns.

Mr. Drew: I shall talk about the amendment and I shall talk about the shameless pretence there was in regard to the effect of this amendment, too.

Of course I admit that the hon. member for Trinity has had experience serving the government in a legal capacity and perhaps that gave him some special qualifications which appealed to it on this occasion. It was obvious of course that he kept very close to his text but I want to point out—

Mr. Martin: Mr. Speaker—

Mr. Drew: The Minister of National Health and Welfare is quite capable of taking care of himself without reading the text of his speeches and it would be a most healthy thing if the statement made by the Speaker last night were to be observed by all the hon. members of this house.

Mr. Martin: Now, Mr. Speaker, I am sure the Leader of the Opposition—

Mr. Drew: I am making this speech and I intend to continue.

Mr. Martin: Mr. Speaker, the Leader of the Opposition—

Mr. Speaker: Order. If the Leader of the Opposition does not care to be interrupted, the minister may not do so unless he rises on a point of order.

Mr. Martin: I would just point out to the Leader of the Opposition—

An hon. Member: He is just pointing out; go ahead.

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker, it does not appear to be a point of order or a question of privilege.

Mr. Speaker: Order. If the Minister of National Health and Welfare rises on a point of order I shall be pleased to listen to him. However, if he does not rise on a point of order he must not interrupt the Leader of the Opposition if the latter does not consent.

Mr. Martin: Mr. Speaker, I remember one occasion—

Some hon. Members: Oh, oh.

An hon. Member: You are just pointing out.

Mr. Drew: I feel quite sure that the minister remembers more than one occasion.

Mr. Martin: I was just going to say—

Mr. Carrick: Mr. Speaker, on a point of order.

Mr. Speaker: The hon. member for Trinity has risen on a point of order.

Mr. Carrick: If the Leader of the Opposition is intending to intimate by his remarks that I read my speech it is quite inaccurate—

An hon. Member: No, he didn't.

An hon. Member: Every hon. member of this house knows he didn't.

An hon. Member: He didn't say you did.

Mr. Rowe: It would have been better if you had.

Mr. Carrick: That will be a matter of opinion. I had rough notes and I shall be very glad to show them to the Leader of the Opposition if there is any doubt about it.

Mr. Drew: Mr. Speaker, I did not think for an instant that the hon. member read his speech; it was not good enough to have been read.

Some hon. Members: Oh, oh.

Mr. Drew: When I said it was not good enough to have been read I should have added that I intend to refer particularly to a statement the hon. member made because I would hope if he had taken the responsibility of preparing his address in advance he would not have made the statement to which I intend to make reference in no uncertain terms.

He made certain references which should not be allowed to pass unchallenged in this house. I do want to point out, however, and I will deal with it right now, that when the hon. member—

Some hon. Members: Go ahead.

Mr. Drew: This is what the hon. member said, as reported at page 743 of *Hansard*:

> I was shocked, Mr. Speaker, when the hon. member for Prince Albert (Mr. Diefenbaker) moved an amendment in this manner. I want to read that amendment to the house:
>
> "That . . . in view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance . . ."
>
> That is the part I want to deal with. I say I was shocked because it constituted a refusal of help to Israel in her hour of need. I never believed that the erstwhile great Conservative party would ever adopt a policy of that kind.

Some hon. Members: Hear, hear.

Mr. Drew: I hear the Minister of National Health and Welfare (Mr. Martin)—

Mr. Martin: I never said a word.

Mr. Drew: Mr. Speaker—

Mr. Martin: What I said was that I never saw the Leader of the Opposition in a happier mood than he is at this moment.

Mr. Rowe: He has good cause.

Mr. Drew: In all the conflicting statements that have been made that at least is a very happy meeting of minds at any rate on one point. However, I do not want to be beguiled by the smiles of the Minister of National Health and Welfare as to what was meant by those words. That was a disgraceful distortion of the facts. It was a shameless appeal to prejudice. It had absolutely no relation to the facts. I only wish that the rules made it possible for me to use stronger terms because the hon. member who introduced that shallow and shameless misinterpretation was dealing with a subject which had been brought into this house by the shipment of aircraft to Egypt. Why did he not say a word about that? Why did he not urge the government to stop the shipment of the remaining twelve if for any reason they could not stop the first three? What a cynical picture we have before us. They ship aircraft to Egypt and then they ship anti-aircraft guns to Israel to shoot them down.

At the very time that this is being done we are paying our respects to the very gallant and effective efforts of General Burns to maintain stability and peace in that part of the world. An appropriate tribute has been paid to what General Burns has done on different occasions. He has achieved the things that he has done in the realm of practical hard negotiation and not by the use of fatuous platitudes such as some of those we have heard in regard to this subject. General Burns is either doing a job or he is not. I understood that this government believe that he is doing a very good job. I believe he is doing a good job and I am sure most hon. members do. It is a very poor award for his efforts that at the time he is trying to cool off the situation in that area this government should be shipping arms to both sides.

Of all the attempts to hide the realities that I have heard I cannot imagine anything worse than the suggestion that this is not really important because it amounts only to a comparatively few hundred thousand dollars. As everyone knows, we heard the expression, "What is a million?" In this case apparently the expression is, "What is two million?" After all it is not a question of the degree, it is a question of whether the thing is right or wrong. I was never aware that under our laws there was any distinction drawn in the case of murder between murder done with an elephant gun and with a .22 rifle. If it is murder, it is murder just the same. If the thing is wrong, it is wrong, no matter how many are shipped or no matter what the amount may be.

It is at a time when all these difficulties are confronting us that we are told that it is dangerous to fan the embers of distrust and hatred in that area. It is at such a time that we see our government presenting this sorry spectacle of slaphappy diplomacy. After all, where has there been any caution exercised? Where has there been any real responsibility? One minister after another, from the Prime Minister down, tells us a different story and we were finally brought up to date yesterday.

I am reminded of a story told during the first world war. Veterans of the first world war will always remember a fabulous character known as Foghorn MacDonald. He had a voice like a bull of Bashan; it was a real voice which could be heard everywhere. During that war there were certain complaints by the fighting troops about a place in London known as Argyll House. It was a large building with multiple halls where people wrote the innumerable papers that seem to have to get written in every war in quintuplicate and sextuplicate, in fives and sixes. There was a notorious uncertainty as to who was really in authority.

I remember well one of the stories which pleased the troops. It seems that Foghorn MacDonald had gone to Argyll House to find out where his woodpeckers—which was what the forestry troops were popularly called—were to be allowed to cut some trees in Windsor great forest. He went to one place and was told that it was another officer who dealt with the matter. Then he went to

another place and was told that it was somebody else. After he had gone halfway through that enormous building he came down into the middle of the central hall and in a voice that shook the glass at the top he shouted, "Who is in charge of this dump anyway?" I might explain, that is a slightly modified version of the story.

But, Mr. Speaker, it was the final stage of the story that reminded me of what has been happening in the house because as the story went a head came out of every one of the several doors in Argyll House and shouted at the top of its voice, "I am." Will the Prime Minister please take the appropriate steps to let us know who is in charge of these different subjects? If in fact the Minister of Trade and Commerce (Mr. Howe) is also Secretary of State for External Affairs, do let us know so that we can address our questions to the proper minister. If he is Minister of National Defence in fact if not in name let us know, so that we can address our questions to him. If in regard to certain matters connected with the Combines Investigation Act authority over that department is once again in the hands of the Minister of Trade and Commerce I hope the Prime Minister will let us know so that any further questions along that line may go to the appropriate minister. It would save a great deal of time. Twenty days have been taken up with a great deal of questioning to get the information that was needed.

Now, Mr. Speaker, I appreciate the remark from my genial friend the Minister of National Health and Welfare (Mr. Martin) that he finds me in good humour, and I reciprocate that. I constantly find him in good humour. But I do not want any impression left that what we are dealing with here is fundamentally any laughing matter. Confusion at some point can become so ridiculous that it is difficult not to laugh, and it was the very wise Voltaire who said that a serious subject should not be discussed too seriously. Nevertheless, tempting though it may be to point out the preposterous nature of the confusion that has emerged, the question presents itself: Why has the government been hiding the facts? Why has the government been holding back on us? Why did the Secretary of State for External Affairs (Mr. Pearson) take so long to find out what the facts were? Our whole system depends upon reliable answers by ministers and within an appropriate length of time.

The Secretary of State for External Affairs had every reason to know the facts better than he did when, after several flippant answers on different days, he finally did place before us the situation as he knew it up to that time. Since then we have had further revised editions from other ministers. But this story is not simply a story of inaccuracy. It is a story of delay. It is a story of uncertainty, it is a story about which we do not yet know all the essential considerations. We certainly do not yet know why it is that this was done.

I think, Mr. Speaker, that it is as improper a suggestion as has been made in the house for anyone to suggest that at a time when General Burns is trying to compose the difficulties in that troubled area any attempt to prevent the shipment of arms to both sides involved in that difficulty constitutes an attempt to weaken the Israeli government. Anything further from the facts could not be imagined. Anything more unreal could not be devised. The trafficking in arms is either right or it is wrong. Trafficking in the bloody weapons of war is wrong, and it is particularly wrong when it is done in this secret and underhand way.

We have prided ourselves, Mr. Speaker, on the position of detachment of our government and the fact that it was in effect a middle power over and above the ordinary temptations and weaknesses of other nations. We have gained much in international stature from that very fact. That reputation has been effectively removed by the course of the government in this unhappy incident that we have had before us. Trafficking in arms in an area where we are reminded it is terribly dangerous to fan the embers of hatred and distrust! Is it neutrality, is it detachment to supply weapons to both sides? No. We want the security of Israel established in the one way it can be established: it was most improper for the hon. member for Trinity (Mr. Carrick) to imply that there had been any suggestion of withdrawal of support from Israel when only in the afternoon the hon. member for Prince Albert (Mr. Diefenbaker) had so clearly stated the principles by which the protection of Israel could be secured.

What shallow pretence it is to suggest that we are going to help Israel by sending a few arms there! What is going to help Israel is that the nations of the west stand together to say that there shall be no war in that area. Why pretend that Israel, by the delivery of a few weapons, could do more than invite trouble? Why pretend that Israel, by the delivery of a few weapons, could possibly defend itself against the combined Arab states backed up by all the armour being sent from communist countries to that area today?

We know that peace has been saved in different parts of the world. Peace was saved

in Germany not by evasion, not by appeasement, but by direct, clear and emphatic statement. Peace was preserved in Germany by the unqualified statement that if Russia moved at all against West Berlin or Western Germany action would be taken immediately upon that happening. As a result of that there has been peace. As a result of that there can be peace in the years ahead.

There is today peace, a tortured peace it is true, in Korea, not because of appeasement, not because of shipping arms to both sides, not because of shipping aircraft to North Korea and anti-aircraft guns to South Korea. There is peace in Korea today because the United Nations stood firm. They stood together and they protected the freedom of South Korea. That protection stands today and the hope of peace stands with it. That is the way that peace can be preserved in Israel. It is the way peace can be preserved in the Middle East and it is the only way.

No single member of the house from any part of Canada has more clearly demonstrated his affectionate interest in the cause of Israel and his support of Israeli aspirations than has the hon. member for Prince Albert. What he has done was recognized by the unqualified tribute paid to him by those in this country whose blood ties carry their thoughts so closely and so constantly to Israel itself. No; it is not for any hon. member of this house to suggest that the hon. member for Prince Albert (Mr. Diefenbaker) would seek to withhold any support for the state which he himself has supported so well by voice, by action and by everything he has done in this house.

Before I proceed to discuss China, I want to deal with the subamendment introduced by the hon. member for Rosetown-Biggar (Mr. Coldwell) and which is as follows:

> That the amendment be amended by inserting therein immediately after the word "alliance" the following words:
> "without at the same time making sure that peace in that area would be guaranteed either by the United Nations or by the powers that signed the tripartite agreement of 1950, namely the United States, the United Kingdom and France."

Mr. Speaker, we believe that our amendment is perfectly clear and that it leaves no uncertainty as to what it means. It was moved by the hon. member for Prince Albert, seconded by myself and it reads as follows:

> That all the words after "that" be deleted and the following substituted therefor:
> "In view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance; and also condemns the government for the lack of candour with which the matter has been dealt with in this house."

[Mr. Drew.]

Mr. Speaker, we believe that our amendment appropriately sets forward the views we have; and we believe that the subamendment, which would remove certain of the reservations we make in our amendment, would be inappropriate at a time when every effort should be made to smooth out the difficulties in that area, and to prevent by diplomacy and in every way we can the shipment by Russia to Egypt or to any other state the arms that might be used to cause trouble there. We also believe that there should not be, by us or others wherever we can do anything about it, the further shipment of arms that would aggravate an already difficult situation. It is therefore our purpose to vote against the subamendment, although in a general way I support all the views that have been expressed by hon. members of the C.C.F. party in support of our own amendment.

I wish now to speak about the subject of China. Mr. Speaker, that was the subject that prompted me to ask the Prime Minister for a debate on external affairs. On more than one occasion the Secretary of State for External Affairs had publicly left the impression—whether or not that was intended—that Canada was moving rapidly toward recognition of communist China. Whether or not the Secretary of State for External Affairs intended to leave that impression, that was the interpretation placed upon his speeches in British Columbia last summer and that was the interpretation placed upon other statements he has made. It was the interpretation—perhaps erroneously—placed by many people on his article in the magazine *Look* under date of January 10, 1956. From that statement I am not going to read more than one paragraph which will illustrate something of the reason why a certain amount of concern was expressed. I quote from the article in the magazine *Look* of January 10 under the title "Are we Losing the Cold War?" and written by the Secretary of State for External Affairs:

> We all need to reappraise our cold-war tactics. We need not oscillate so much (as we North Americans are inclined to do) between alarm and optimism. We should have neither chips on our shoulders nor stars in our eyes. This is a time for bold but hard-headed statesmanship, for vigour and vision, where negotiation must not be confused with appeasement, and the positive challenge of competitive coexistence must replace the sense of fear and urgency as the binding element in our democratic coalition.

Then the Secretary of State for External Affairs went on to make certain numbered recommendations. This is recommendation No. 4:

> 4. We should recognize the fact that the Peiping government, and not Chiang Kai-shek, is in control of continental China and likely to remain so; that

there are basic problems to be settled in the Far East which cannot be settled without the participation and agreement of that government. We can negotiate with Peiping when necessary and desirable without implying approval of that regime or without weakening our opposition to communism.

It may be that too loose an interpretation was put on this statement in the United States and elsewhere, but it was certainly taken to mean that this government was urging the United States to revise their views; and since they had clearly stated those views previously, there would be only one way they could revise their views on this particular subject.

Having regard to that matter and having regard to the statement made by the Secretary of State for External Affairs last year, that the time had come for a re-examination of this whole subject, we waited with interest yesterday to see what that re-examination was. Let us see just what it was. As reported at page 710 of *Hansard* the Secretary of State for External Affairs stated:

We have made this re-examination and we feel that the careful policy we have been following, and are still following, has been the right one; rejecting on the one hand immediate diplomatic recognition but rejecting on the other hand the view that a communist regime in Peking can never be recognized as the government of China.

We certainly waited for the mountain to bring forth a mouse because there is certainly nothing there that gives us any reappraisal of the situation. This is the hard-headed statesmanship, the vigour and vision that we have been waiting for! He tells us simply that we stand exactly where we were. In other words, we do not know where we are. We do not know whether it means recognition or not.

Every now and then we see in the press reports that some well-informed source has stated that Canada is moving rapidly toward recognition. I mention this matter today because, from what had been said, I thought we might have a chance to relate our remarks to some definite statement by the Secretary of State for External Affairs with regard to communist China. But the fact is that this statement tells us nothing. That was the reason that our amendment did not deal with this matter. We want no uncertainty. We want to know that there is not going to be any recognition before the matter has been presented to this house. I would hope that we shall have from the Prime Minister (Mr. St. Laurent)—in view of certain uncertainties on other recent occasions—the assurance that there will not be recognition of communist China until this subject has been discussed here in parliament and all the views upon this subject have been properly expressed upon it. I think that is proper and right because a great deal more is involved than mere diplomatic recognition.

I think this is an appropriate time to discuss the subject. Unhappily there has been a great deal of misunderstanding about Britain's recognition of communist China some time ago. The present government of China was recognized by the socialist government of Britain. That was their right. It is not for us to enter into debate on a matter that has already been decided. But just so there will be no misunderstanding about the attitude of the present Prime Minister of Britain very shortly after recognition had been given, I want to quote what he said on January 20, 1950.

The far eastern policies of the Atlantic powers and their friends are in a rather dismal tangle. They all apparently intend the same thing, but they are moving at so different a pace that they are jerkily out of step.

The recognition of the communist government in China provides a recent example of this inconsistency, though not the most important. A divergence of view and discrepancy in action between the British and American governments in this instance may even do good if they draw attention in both countries to the need to co-ordinate their policies without further delay.

As regards actual recognition, there is a fair field for argument on practical, as well as on legal, issues. The decision to recognize is no doubt eventually inescapable, but it is a real misfortune that in this, as in other far eastern matters, we should be acting piecemeal, both within the commonwealth and as between the commonwealth and the United States.

That was a statement by the present Prime Minister of Britain on January 20, 1950. He has never at any time backed away from the implications of that statement when the subject has been discussed. The present government, when it took office, carried forward that policy. On different occasions the present Prime Minister of Britain, as foreign minister, explained why they were continuing it. The reason is quite clear. It is one that is embedded in the traditions of diplomacy of the government of the United Kingdom. Unless there are compelling and in fact overwhelming reasons, one government does not repudiate the decisions of a previous government in the international field. This has provided a continuity of understanding and performance which makes Britain today the bulwark of European stability.

Mr. Nicholson: The Labour government gave India self government, but that has not changed at all, has it?

Mr. Bell: You are on a different wavelength.

Mr. Drew: The Prime Minister of Britain has followed a consistent course, but he has indicated only too clearly the measure of discomfort that has accompanied some of the

things that have ensued. For one thing, they did not get what they thought they were going to get. The Socialist government in Britain obviously thought they were going to unlock the door to trade with China. They did not get anywhere at all. They did not even have diplomatic relations opened up as a result of that humiliating experience.

No, Mr. Speaker; let us not be confused about this. There are reasons why the United Kingdom might perhaps have more cause to be concerned about this than other countries, but let us not forget one thing that the present Prime Minister of Britain emphasized in 1950 and which needs to be emphasized today. It is the vital importance of harmonious action by the great triangle on the Atlantic ocean, the United Kingdom, the United States and Canada. Let us never forget the vital importance of this group—associated as they are with NATO and other countries in close fellowship and very close bonds of nationality—understanding where they are going and marching together if that is possible. I, for one, certainly am not going to suggest at any time that the sovereignty of this country should in any way be denied, as is sometimes apparently suggested by this government. I believe that the sovereignty of this country should be asserted on every occasion, whether it is in commercial affairs or international affairs.

But, Mr. Speaker, we would simply be blind if we did not recognize that the great power in the Pacific upon which the whole future of the area depends is the United States. We will only be causing disharmony among ourselves, and wholly unnecessary difficulty, if we do not try to work out our problems in close co-operation. I hope that when the Prime Minister of the United Kingdom comes here he will be in no uncertainty as to the fact that there is a very substantial group of members in this house who certainly do not approve of the recognition of communist China at this time.

So far as that subject is concerned, it can be dealt with and I hope it will be dealt with in a constitutional manner, by presenting it here in parliament. This subject has been under discussion a sufficient number of times for us to want to make sure that we do not find ourselves suddenly in the position where there has been both recognition of communist China and its entry into the United Nations. After all, it is the entry of communist China into the United Nations that is being talked about very largely when we talk about diplomatic recognition.

There are particular reasons why we should move very carefully on this subject of diplomatic recognition. Let us see what the consequences would be. One of the consequences would be that the communist government of China would immediately have a spy centre here in Ottawa, just as other spy centres have been established. The communist government would be able to follow the activities of nearly 50,000 Chinese here in Canada. If there is one group of people in the whole world who have a historic affection for their family, in fact almost deifying their family, it is Chinese. I hesitate to think what might happen to a lot of Chinese in this country as the result of pressure upon them in regard to members of their families now in China, if we permitted this brutal form of blackmail to be established by recognition of communist China at this time.

Make no mistake about it, the evidence of their brutality is there for everyone to read. The evidence of their brutality is actually in the terms of the resolution adopted by the United Nations, which still declares communist China an aggressor. Why should we even be discussing the possibility of recognition at this time?

The other subject that was mentioned was our self interest. If we are going to reduce this to dollars and cents, let us keep it in perspective. I believe a lot of people are being led to expect that if there were recognition of communist China, suddenly there would be big markets for our wheat and our other food products. Let us remember what are the actual facts. The largest amount of wheat that was ever shipped from Canada to China at any time was in 1926. Our exports of wheat to China for the fiscal year ending March 31, 1926, amounted to $10,146,000. Let us just keep this in perspective. Let us not change our moral attitude in the hope of the recovery of a certain number of dollars.

Then, too, when we are discussing wheat we must remember that there is also flour. I would not want to leave that product out of consideration. The largest export of flour was in the year 1929, a year of high prices. In that year our total exports to China were $12,929,000. The fact is, Mr. Speaker, that we can trade with China now and we have traded with China since the war despite a change of government. If China wants them and we can convince them they need it, there is nothing to prevent us from shipping commodities to China now. The fact is that we can unquestionably sell anything to China they really want to buy, but it is very questionable whether they are in a position to buy in view of the rigid agreements between them and Russia at the present time.

Well, now, Mr. Speaker, I know there is a great deal of heartburning about this question

of recognition. As the present Prime Minister of Great Britain said in 1950, it is a debatable subject, and there are different sides to the question. I have made it quite clear that I do not for a moment suggest the time might not come when circumstances would suggest the advisability of diplomatic recognition of China under conditions very different from what they are today. But as it stands at the moment, the communist government of China is a declared aggressor; and what is more, they have brought it right up to date.

I could not help thinking of how inappropriate any hint of this was, in view of the statement made by the premier of China, Chou En-lai, only the day before yesterday. In a long statement of policy to the people of China he had this to say—I am quoting from the front page of the New York *Times* of Tuesday, January 31, 1956—

> Premier Chou En-lai of communist China . . . urged all Chinese, including nationalists to work for "peaceful liberation" of Taiwan (Formosa). Nevertheless he said red China was "actively preparing" to take it, "by means of war if necessary."
>
> The premier said communist China wanted peace. He declared, however, it was "also not afraid of war" should, as he put it, "the international aggressive bloc impose war on us."

There is the statement of an aggressive power. The United States has said that she will not stand idly by if Taiwan is attacked, yet we have the premier of China stating that they are going to take it by war if necessary. We should not leave any uncertainty about the fact that while this atmosphere prevails, and until the government of communist China has made clear it intends to follow the course of international decency, we will not even discuss the recognition of that government now or in the years ahead. That may come, as it has in other instances, but under very definitely different circumstances.

I also note there are those who feel that this is something that has to be recognized as a fact. They feel that there is a certain amount of jingoism behind the antagonism to recognition. Let me point out that it has not been generally suggested that the A.F.L. and the C.I.O., which are now united in both the United States and Canada, have been particularly jingoistic. On December 7 this resolution was adopted by a joint meeting of the newly-combined A.F.L. and C.I.O. in the United States. It was the eighteenth of the resolutions passed on that day. The resolution reads as follows:

> Our government should firmly adhere to the policy of prohibiting the admission into the U.N. of any regime which (a) has been imposed on any nation by a foreign power, (b) which exercises effective control of the country only through denying its people the fundamental human rights specified in the U.N. charter, and (c) which is engaged in war or has been found guilty of aggression against the U.N.

There is no uncertainty about it. There is no uncertainty as to what countries it applies to. And just in case we should not feel that this was sufficiently wide in its application, as it dealt simply with the A.F.L. and the C.I.O. in the United States, there was also on December 12, five days later, a meeting of the international confederation of free trade unions in the city of New York. Canadian unions are a member of that international organization. On December 12 they adopted verbatim the resolution which I have just read.

Mr. Philpott: On a point of order, I am sure the hon. member is aware that both the big Canadian trade union organizations have made explicit recommendations to the government of Canada in the past few weeks calling for recognition of the communist government of China.

Mr. Speaker: I point out to the hon. member that that is not a point of order.

Mr. Drew: I have read the resolution which was adopted by the combined A.F.L. and C.I.O. in the United States on December 7, and I have read also a copy of the resolution which was adopted by the international confederation of free trade unions on December 12, 1955.

The statement by Chou En-lai which I read a few moments ago contains one interesting expression. He speaks about urging all Chinese, including nationalists, to work for peaceful liberation. I feel sure that all hon. members will recall the explosive manner in which those same words were greeted by Mr. Khrushchev when they were used in his Christmas message by President Eisenhower. It will be recalled that when President Eisenhower talked about peaceful liberation of the satellite countries, that same Mr. Khrushchev literally blew his top. On December 31 a statement was issued from the President's office, which closed with the definite statement:

> The peaceful liberation of the captive peoples has been, is and until success is achieved, will continue to be a major goal of United States foreign policy.

These words are clear enough, Mr. Speaker. The peaceful liberation of captive people will be the policy of the United States government. He was referring to the satellite powers in Europe. Here is an area, the island of Formosa, which the United States has pledged itself to protect; yet the premier of China does not hesitate to use the very same words in a very different way.

Before I close these remarks, Mr. Speaker, I want to emphasize my belief that first things come first. The speech from the throne pointed out that arms alone would not defend our cause; that the moral issues were the great issues, and that in large measure it was by our moral strength that we would attain our objective. I certainly subscribe to that belief.

I therefore ask hon. members to recall why it was we went to war in 1939. It was because the freedom of Poland had been challenged by aggression. We then went to war to assert the principle that every nation should have the right to determine its own course by its own free choice.

Poland is not free. Poland is enslaved; so is the Ukraine; so are Czechoslovakia, Hungary, Bulgaria, Rumania and the Baltic states. All these nations are enslaved. All these nations have been denied what was implicit in the charter of the United Nations, signed ten years ago last spring in San Francisco, that every nation should have the right to express its opinion on the kind of government it wanted.

Mr. Speaker, before we start talking about permitting communist China to enter the United Nations, let us urge that at the United Nations there be a demand that a free vote be taken in the satellite countries under the supervision of the United Nations, so the people there may determine the kind of government they want. That is the kind of peaceful liberation the President of the United States has been talking about in the speeches he has made.

It is not enough to say this would not be accepted. If it would not be accepted, then Russia is not living up to the spirit of the United Nations and the sooner it is put on the record the better. But before we start any course that would bring aid, comfort and help to the communists let us be sure that we maintain our moral position, and that we remember our obligation to those hundreds of millions of people now enslaved who should have the right to state what kind of government they want under a free vote fully supervised by all the members of the United Nations through their appointed body.

This debate will terminate very shortly, Mr. Speaker, and before it concludes there are two things which I hope the Prime Minister will undertake to do. First I hope he will give an unqualified undertaking that there will be no further trafficking in arms such as we have discovered through the disclosures of the past two weeks; and second, we should have the assurance that there will be no recognition of communist China until the subject has been brought before this parliament and fully debated in a proper democratic manner.

Mr. Knowles: Mr. Speaker, may I rise on a question of privilege. In view of the importance of this debate, and in view of the fact that the rules have permitted several speeches to be made without a time limit, I wonder if consideration could be given by the house under the direction of the Prime Minister to adding another day to the debate—

Some hon. Members: No, no.

Mr. Knowles: —in order that some of the many members, including Liberals, who would like to speak might have an opportunity of doing so.

Mr. Drew: Mr. Speaker, having spoken already in this debate and having no intention of speaking again in it, I should like to support that suggestion. I believe this is one of the most important debates we have had, and I doubt if we will have a more important debate. It has been made important by a number of the matters brought forward, and I think there would be approval both inside the house and outside of it if a continuation of this debate were approved.

Mr. Speaker: In order not to take the time which remains in case the decision should be contrary to that which is being proposed, may I suggest that this matter be dealt with through the usual channels.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I welcome the opportunity of speaking now, in view of the long statement that has been made by the Leader of the Opposition to which I should reply, and in view of the somewhat challenging suggestion—although it was a friendly challenge—made by the hon. member for Esquimalt-Saanich (Mr. Pearkes) that this debate should not end without hearing again from the Secretary of State for External Affairs. I am very glad to have the opportunity of meeting his wishes in that regard.

I should first say something, Mr. Speaker, about the matter which was dealt with by the Leader of the Opposition in the last part of his speech, namely the situation in regard to our relationship with communist China. He has asked the Prime Minister (Mr. St. Laurent) to give a specific assurance that no action will be taken in regard to the recognition of that government without an opportunity being provided for parliamentary debate.

No doubt the Prime Minister will deal with that matter in due course but I would ask the Leader of the Opposition what we are

doing now if we are not debating the subject of recognition of the communist government of China. He has just debated it at some length, and I mentioned it yesterday. He has also debated it on other occasions in this house. In spite of all our discussions, as I said yesterday and as the Leader of the Opposition affirmed this afternoon, it remains a difficult, complicated and controversial question. It is not wise to be dogmatic in regard to it.

The Leader of the Opposition is himself a very good proof of the difficulty of coming to dogmatic conclusions in regard to this matter because he himself—and I am not criticizing him for it—has found it difficult as others may have also, to adopt a strictly consistent course in his public utterances as to what should or should not be done.

An hon. Member: What about you?

Mr. Pearson: On June 6, 1955 as reported in the Quebec *Chronicle-Telegraph,* the Leader of the Opposition in a press interview said:

> Of red China, Mr. Drew said it should never be admitted to the United Nations.

"Never" is a pretty irrevocable word, Mr. Speaker. In Vancouver on September 21, 1955, he said, as reported in the Vancouver *Daily Province:*

> There is no point talking about red China getting into the U.N. when there are other nations we have refused.

At Quebec last June he is reported as having said, and I think this is a very true statement—

Mr. Drew: I was not in Quebec last June.

An hon. Member: Where did you get that?

Mr. Pearson: Well, I have before me an article from the Quebec *Chronicle-Telegraph* dated June 6, 1955—

Mr. Drew: I am sorry; I correct that statement.

Some hon. Members: Oh, yes.

Mr. Pearson: Yes, it is easy to forget these little details.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Speaker, I simply want to make it clear that when I made that interjection I was reminded of the debate that was taking place here and I recall I took a week end off in Quebec at that time.

An hon. Member: To go fishing?

Mr. Pearson: On that occasion, and I certainly do not quarrel with this statement, he said:

> It is a debatable question whether or not it (red China) should be recognized.

It is a debatable question, and we gave our views concerning it yesterday.

In September, 1955, in Vancouver, in a statement to the Victoria Canadian Club, the Victoria *Daily Colonist* reports the Leader of the Opposition as having told his audence:

> He believed the time for recognition and admission to the U.N. of red China was not here yet.

He is also reported in this press statement of that date as having said:

> Trade with red China should be on a practical business basis, not on a diplomatic level.

I am not quarreling with these statements this afternoon. It is not an easy question on which to come to definite conclusions, and it is certainly not wise in discussing it to use the word "never".

Mr. Drew: Nor has it been used.

Mr. Pearson: There were, however, three points raised yesterday in the statement I made about China which were pretty definite; and while we have heard a good deal from hon. gentlemen opposite about recognition, we have heard nothing from any of them in regard to those two statements which did lay down a declaration of government policy on which it would be very helpful indeed to have the views of hon. members opposite.

One was a declaration of non-intervention in the dispute for the possession of the offshore islands between the mainland of China and Formosa. There has been no statement that I recall made in this debate about the attitude of the opposition toward that matter. The second was that we had no commitments in regard to Formosa except those which would arise out of our membership in the United Nations. I have heard nothing about that. The third was that the status in regard to Formosa should be separated from that in regard to continental China. That is an important point about which we have heard nothing from the other side. As my hon. friend has interjected already, there is a very important difference of opinion on that. As a matter of fact about the only thing on which the two Chinese governments are united is that Formosa or Taiwan does belong to China.

I am not going to say anything more on this subject because I do not want to take up too much of the time of the house. In any event the amendment does not deal with China; the amendment deals with something else, arms shipments to the Middle East. In so far as the official opposition is concerned the debate has ranged largely around that particular question.

In the debate and in the attacks that have been made on the government in regard to

this matter some hard words have been used in describing government policy, such as confusion, delay, inaccuracy, fumbling, forgetfulness and words of that kind. I suggest that some of those words could very well be applied to the statements made in regard to this matter by hon. members opposite. I shall give one or two examples in order to justify that assertion.

It has been said, for instance, not only in the previous discussion of this matter but this afternoon, that the delay on my part in replying to the original question was unseemly and probably deliberate because it was so long. I had the first question on this matter on Wednesday. As I said the other day, the reply was ready by Friday but other questions had been asked in the meantime. On Friday I was asked not to give the reply on Monday because the hon. member who had asked the question would not be in the house. I gave the answer on Tuesday. Is that any cause for suspicion as to the intentions of the government?

There have been suggestions of confusion and inaccuracy. Let me give a good example of such from the statement made by the hon. member for Kamloops (Mr. Fulton). I had been discussing the question raised by the hon. member for Prince Albert (Mr. Diefenbaker), of the equalization of visits between Egypt and Israel. But the hon. member for Kamloops referred to that as though we had stated that our policy was the equalization of arms shipments between Israel and Egypt. There could hardly be a more inaccurate representation of a discussion in the house than that.

Now I come to inaccuracy in figures. We have a statement that shipments of arms to Israel in the last two years amounted to $2,800,000. The hon. member for Esquimalt-Saanich (Mr. Pearkes) had the list before him and all he had to do was to look at it to see that he was about 25 to 30 per cent incorrect.

The fact is that in connection with this matter of arms shipments all the information asked for has been given. More information in regard to this particular question of arms shipments has been given than is the case in Washington or London. There was a debate on this matter in the United Kingdom the other day. My hon. friends opposite are very often, and rightly so, keen to point to the example of the mother of parliaments in respect of procedures which could well be followed here. In that arms debate in the United Kingdom the minister responsible said that no details could be given because it was contrary to all practice to disclose what was going from government to government in the way of arms shipments.

It is also a fact that our controls are as strict as if not stricter than those of other countries. It is also a fact that exports are very carefully watched, and the figures that have been given publicly indicate that practically nothing has gone to any Middle East country since the deterioration of the position last July. The figures show that in the last two years the total shipments of arms and equipment to all parts of the world except NATO countries and those commonwealth countries which are not sensitive areas totalled under $6 million.

I know this debate has concentrated on this question of arms shipments. A more important feature is the question of policy in regard to this matter. Here the issue is clear, very clear indeed. We are quite happy on this side to stand our ground on the difference in policy that has come into the open in the amendment submitted by the official opposition. In regard to arms shipments that issue of policy is clear. I confess that I was not able to understand, however, what the issue is between us in regard to the Middle East problems generally. I shall come to that a little later and endeavour to show that the proposals put forward by hon. members opposite in that regard really make confusion more confounded. They deserve some of the words we have heard used so often during this discussion.

As to arms shipments, the policy as laid down in the amendment is clear. If I can read English at all it advocates a complete embargo on the shipment of arms to all Middle East countries not members of NATO, to Arab countries as well as to Israel. As was pointed out by my hon. friends opposite yesterday, that part of the world is now an area of tension.

Indeed the hon. member for Esquimalt-Saanich (Mr. Pearkes) would go further than the amendment of his own party, when he advocated in his statement last night a complete embargo against shipments to all such areas of tension except commonwealth areas, NATO areas and those with which we have a definite alliance. Those were the words he used, "a definite alliance".

That is perfectly clear; that makes it clear beyond any doubt what the intention of this amendment must be. The proposal of the hon. member for Esquimalt-Saanich in effect means a refusal to sell any equipment to certain countries, not only Egypt and Israel but to certain countries in the Baghdad pact or in the SEATO pact, two collective security systems which are being developed against aggression and which the hon. member for Esquimalt-Saanich rightly called, in the case of the Baghdad pact, a "defensive grouping."

Is that the policy of my hon. friends opposite? Is that the policy of their party? If so, it is not the policy of this government.

However, the amendment itself does not go so far as that. It would have the effect, and I am quite certain that this is the only interpretation that could reasonably be placed upon it, of putting an embargo on the shipment of arms to either side of the struggle in the Middle East, to the Arab states or to Israel.

This afternoon the Leader of the Opposition stated very vigorously indeed that the refusal to ship arms to Israel at this time would not hurt Israel. I ask him to get in touch with the government of Israel to find out what that government is saying about the importance of arms shipments, or to learn about the requests which have been made to governments in the world by the government of Israel for defensive equipment. Then I wonder if he will come to the same conclusion, that an embargo on arms shipments to Israel at this time to Israel would not hurt that country.

The reason given for this amendment, and the reason for this policy of stopping shipments, is that this area which I have just mentioned is one of tension. Indeed it is one of tension, and it is even one of danger. The area of Palestine and the surrounding countries, as I tried to point out the other day, has been one of tension since Israel was established, since the very first day the state of Israel was set up. Indeed, the tension has never been as great as it probably was in those early days when Israel was fighting for its new existence. There has been no peace there at any time since the United Nations sponsored state was formed. There has never at best been anything but an uneasy armistice, when one side has expressed its determination to try to destroy the other.

It follows, then, that if this policy which is now advocated, that is an embargo on shipments to this area as an area of tension, had been adopted by other countries during these years, Israel would have been extinguished almost before it had come to life. I am sure no hon. member in the house would desire that result to be achieved, and that is certainly one important reason why the government will not support any amendment of this kind.

The hon. member for Prince Albert said yesterday afternoon, and I am sure he was quite sincere when he said it, "I believe with all my heart that the state of Israel should be preserved." I suggest, Mr. Speaker, that the policy embodied in the amendment would have been a very bad way indeed to preserve it in the past or, indeed, to preserve it in the future. The effect of this policy, if it were adopted by other countries as well as ourselves, would simply be this. The communist countries could keep on sending modern arms and equipment to one side and the countries of the free world would be prevented from sending arms to the other side.

Mr. Diefenbaker: Would the minister allow a question? He has been very fair. In tonight's Ottawa *Journal* there is a dispatch from Washington indicating that President Eisenhower and Prime Minister Eden discussed today the possibility of using United Nations forces in demilitarized zones along the Arab-Israeli frontiers, and suggesting that Canada and the Netherlands may be in favour of the suggestion I made yesterday, namely the formation of such a force. Is that a fact?

Mr. Pearson: I was going to come to that in the latter part of my statement when I deal with other matters than arms shipments to that area. I quote also what the hon. member for Prince Albert said yesterday, that the people of Israel are a dedicated people, as indeed they are. If they were not a dedicated people they would not have been able to do what they have done in that land of Palestine. But I do suggest with all respect that if the policy set out in the amendment had prevailed over recent years they would have been dedicated to destruction. I can think of no greater encouragement to aggression than the knowledge that communist arms can go to one side without restriction or restraint, and that all the rest of us in the free world by self-denying ordinance would not send anything to the other side.

In case they think I am misrepresenting the policy of the official opposition, and I want to be very fair about this, I should like to quote again what the hon. member for Prince Albert said yesterday when he seemed to introduce a kind of reservation into his earlier observations. He said, as found at page 722 of *Hansard*:

> If conditions worsen there—

Not if they get better but if they worsen.

> —we can change our policy.

Well, how? What was he referring to? Apparently he was referring to the shipment of arms, because later in the same part of his speech he said, as found on page 723:

> If conditions got worse and war broke out, then conditions as to the shipment of munitions would change . . .

Indeed, Mr. Speaker, they would change, but it would be too late for the change to be made effective to help the state of Israel. I repeat that this is not our policy. Because we have sent some surplus equipment to

Israel over recent years and turned down more requests, because we have sent in ten years three Harvard training aircraft to Egypt with twelve more on order, we are accused—and I repeat the phrase with regret—of "despicable dealings"; we are referred to—and I also repeat the phrase with regret—as following a policy which makes us merchants of death.

It is also stated by the hon. member for Prince Albert that in following this policy of carefully controlled shipments the government has removed the most potent weapon in Canada's arsenal of democracy, the moral weapon. Having been toppled in this way from morality we can no longer criticize the Soviet union. I was asked if I dared rise in my place in the light of this policy and criticize the Soviet union. Well, I do dare, Mr. Speaker, and I shall take advantage of the opportunity when the occasion arises. We are also told, however, that having been toppled from this position of morality we should now go and offer our services to both sides as conciliator and mediator. If we have lost our moral position in this matter, so has the United Kingdom, the United States, France and the other free countries. So has everybody but the Conservative opposition opposite.

The United Kingdom policy in this matter was disclosed in the house at Westminster the other day, in a debate to which I have referred, by the new minister of defence there. He gave figures, but not figures related to countries and areas as we have done. He did not mention categories or types of weapons, but gave total figures. He said that since 1956 £600 million worth of military equipment, exclusive of naval vessels, had been shipped and that during the last few years they had been going out at the rate of £90 million a year. This is the government that was headed by Sir Winston Churchill until recently and is now headed by the prime minister whom we are so happy to welcome here Friday. Has that government lost its moral position, or has the government of President Eisenhower which has followed the same policy in this matter? I suggest, Mr. Speaker, that to ask the question is to answer it.

Our policy, then, is not based on the policy of this amendment. Our policy is based on the tripartite declaration of the three powers made in 1950, the three powers with special responsibilities in this area, responsibilities which we are not asked to share because we have not now and have not had the same interest in that area that they have. That tripartite declaration in respect of arms shipments reads as follows:

> The three governments—
>
> The United Kingdom, the United States and France.
>
> —recognize that the Arab states and Israel all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defence and to permit them to play their part in the defence of the area as a whole. All applications for arms or war material for these countries will be considered in the light of these principles. In this connection the three governments wish to recall and reaffirm the terms of statements made and responsibilities on the security council on the 4th of August, 1949, in which they declared their opposition to the development of an arms race between the Arab states and Israel.

That statement of policy has been reaffirmed recently by the government of the United Kingdom and also by the leader of the opposition in the United Kingdom parliament, Mr. Gaitskell. Although he criticized the government of the United Kingdom very bitterly on some aspects of that policy he ended his criticism by saying this the other day:

> We must uphold the balance theory in qualitative terms, not allowing either side to be in a position where they could not buy equally modern equipment.

The same position was reaffirmed by the secretary of state of the United States on January 25 last when he said:

> We still adhere basically to the principles of that 1950 declaration . . .

That is our policy also, Mr. Speaker, and we will continue to put it into effect with care, with every anxiety and, indeed, every determination not to send arms to that area of a type and in a quantity that can add fuel to the flames that are, I admit, raging there. The figures for the last three or four months would indicate that that policy is being carried out. The alternative is to cut ourselves off from the policy of all the governments of the western world, try to persuade them to do the same thing if it is such a highly moral policy, and allow the Russians to send arms there without restriction or restraint.

Mr. Diefenbaker: Those three countries are bound by a declaration.

Mr. Pearson: I now want to deal with the other side of the question, namely the political side. It is related to but is even more important than the question of arms policy, because it deals with ways and means of establishing peace in that area.

Yesterday the hon. member for Prince Albert—I think it was he—said that we must face this problem, that is the problem of securing peace in the area, courageously and manfully. Just for a moment I want to look at some of the suggestions the opposition have made which would carry out that wise injunction. The hon. member then went on

to say—and I think I am quoting him correctly; he also referred to this matter a moment ago when he interrupted me—that we should set up an international force to protect and assure the boundaries. What boundaries? There are no boundaries established in that part of the world now except under the armistice agreement; and the Arab states have been firm in their determination not to accept those boundaries which have not yet been finally and formally ratified at a peace conference. Hence any guarantee of the existing boundaries would have to be done against the will and in the face of the opposition of the Arab states.

Surely my hon. friend does not wish us to guarantee boundaries against one party to the dispute through the operation of an international police force which might, in certain circumstances, include Canadians as well as other members of the United Nations. I suggest that would not be a realistic way of assisting in the restoration of peace in that area. But a police force under the armistice commission, to keep the forces apart while a peace solution is being sought, to patrol a zone between the forces is something else.

Mr. Diefenbaker: It is the same thing.

Mr. Pearson: As I said the other day, I have had talks with the leaders of the Arab governments and the Israel government, and I had talks with General Burns when I was out there and at the United Nations. I think there is a great deal to be said for trying to bring that kind of police force into existence in this disturbed area at this time as a provisional measure to keep the armies apart while peace can be secured. If that proposal were made—and I know the Secretary General has been considering it, and from press reports to which my hon. friend has referred I understand that it has been discussed in Washington in the last few days—and if it became a matter for United Nations consideration, I am sure this country as well as other countries would want to do what they could to carry it into effect.

Mr. Diefenbaker: Before the minister goes on from there, would he answer a question?

Some hon. Members: Oh, oh.

An hon. Member: Sit down.

Mr. Speaker: Order.

Mr. Diefenbaker: Mr. Speaker, the minister has not the touchy sensibilities of some of these interrupters. The question I want to ask the minister is this. Does Canada along with the Netherlands intend to undertake such action, which is similar to what I suggested yesterday?

Mr. Pearson: Mr. Speaker, there has been no proposal of the kind made to this government. I do not know about the Netherlands government, but if and when a proposal of that kind is made to us, Mr. Speaker, I can assure you that it will be given serious and sympathetic consideration by the government. But obviously I should not be expected to state what the position of the government would be in respect of a proposal which has not been made and which has appeared only this afternoon in the press.

The hon. member for Esquimalt-Saanich (Mr. Pearkes) also discussed this question of a guarantee against aggression. He said that we should join in the kind of guarantee that was embodied in Mr. Dulles' statement last summer and Sir Anthony Eden's statement in November at a Guildhall banquet in London. He also mentioned the tripartite declaration. The tripartite declaration of 1950 has something to say about this matter. One paragraph of it reads as follows:

> The three governments take this opportunity of declaring their deep interest in and their desire to promote the establishment and maintenance of peace and stability in the area and their unalterable opposition to the use of force or the threat of force between any of the states in that area. The three governments, should they find that any of these states are preparing to violate frontiers or armistice lines, would consistently with their obligations as members of the United Nations immediately take action both within and outside the United Nations to prevent such violation.

As I have said, that paragraph has recently been reaffirmed both by the Prime Minister of the United Kingdom and the Secretary of State of the United States. In this regard Mr. Dulles only the other day—and by the other day I mean the statement he made some weeks ago in Washington—said this:

> If other related problems could be solved, the United States would be disposed to join formal treaty arrangements to guarantee Israeli-Arab borders; he hoped that other countries would join in the guarantee and that it would be sponsored by the United Nations.

He then went on to say that permanent borders must be negotiated and some adjustments would be necessary before they would enter into a guarantee of that kind. In November last Sir Anthony Eden also said this:

> The United Kingdom would also participate in a guarantee of Israeli-Arab borders which were drawn as a result of a negotiated settlement.

That is a different thing than taking part in a guarantee of borders which have not been negotiated as the result of a peace settlement. Even this kind of an offer was not taken up at the time it was made, as I recall it, by either side to the dispute out there. But, Mr. Speaker, we have already supported that

principle in public. I have already stated that we should rally around and support this approach to the problem made by Sir Anthony Eden and by Mr. Dulles without, of course, subscribing to all the details of the statements they made at that time.

I said something about this matter in the house on January 24. Indeed, I devoted a good deal of attention to the principles which should underlie a peace settlement in that area, which is by far the most important aspect of this whole question. To hon. members opposite who have brought this matter up for discussion I suggest they should have another look at that statement. But that kind of guarantee of borders of a state resulting from a peace settlement is a very different thing than the policy enunciated by my hon. friend opposite yesterday and by my other hon. friends who preceded him. To ask us, as my hon. friend did last evening, before a peace settlement has been reached, to let it be known that we will send troops to that area if the armistice is broken and war breaks out, to make that pledge now is in my opinion completely unrealistic. I suggest that this government would be extremely unwise to give a pledge now that if war broke out in that area in any circumstances, if the armistice were broken, we would send troops to fight there.

If that sort of thing happens it is a matter for the United Nations, which should act swiftly and effectively. It is a matter principally for the big powers who have the most important interests in that area. As was said by the Leader of the Opposition this afternoon, if that kind of swift international action cannot be taken, and if some kind of international planning to prevent that action cannot be taken now, then the outlook for peace in that area is not too bright. But as I said the other day, I feel that the leaders of the governments there do not want war and that, in view of that feeling, with strong action on the part of the United Nations and the international community to avoid it, war can be prevented. I think our record on this subject in the past is sufficient evidence that we shall play our full part in any United Nations action of that kind, and that we shall do our full duty in that respect.

Now, before I sit down I want to say just one word about the C.C.F. subamendment. It repeats part of the official opposition amendment, that part of it which we cannot possibly support because it is contrary to the policy which has been adopted by and still remains as the policy of our friends who are doing their best to settle this problem. We cannot, therefore, support the first part of the amendment. The subamendment says that after the word "alliance" the following words should be added:

> Without at the same time making sure that peace in that area would be guaranteed either by the United Nations or by the powers that signed the tripartite agreement of 1950, namely the United States, the United Kingdom and France.

I fear, Mr. Speaker, that the effect of this subamendment would be to effectively prevent any help going to any country in that area until these conditions were met, even if there were threats by aggression. It would have, I think, the same effect as the amendment itself, because I do not see how we as a government could take the responsibility of refusing to take action which we might think wise in the circumstances unless we had already made sure that peace in that area was guaranteed by the United Nations or some other governments.

While I appreciate the spirit behind this amendment, and while I agree that the United Nations and the three powers concerned should take action in that sense, I do not think it would be wise to tie that subamendment to the official opposition amendment, and we cannot support it for that reason. Certainly we can have nothing to do with the amendment itself which would run counter to what we think is a wise, careful and constructive policy in this whole matter.

Mr. Pearkes: I rise on a question of privilege, Mr. Speaker. A few moments ago the Secretary of State for External Affairs said the figures that I had given regarding the cost of equipment were inaccurate, and were at least 30 per cent wrong. On page 741 of *Hansard* for January 31, 1956, after enumerating the equipment which had been sent to Egypt and to Israel, I said that the total came to $2,800,000. It was that figure which the minister said was inaccurate.

The only source of information I had regarding the cost of this equipment was the statement made by the Secretary of State for External Affairs himself, which is found on page 466 of *Hansard* for January 24, 1956. These are the figures which I took. The figures for the two years were $2,067,685.19 for Israel and $771,121 for Egypt. If one adds those two figures together the total is $2,838,806. If I was inaccurate, if my figures were 30 per cent wrong, they were the figures which were given by the minister.

Mr. Pearson: I would not like the hon. gentleman to think I deliberately accused him of inaccuracy unless I had some evidence to support my statement. There may be some misunderstanding, but let me read, because I think it is right that it should be

on the record, what he said. On page 741 of *Hansard* he began a paragraph by saying, "Then"—He had been talking about shipments to Egypt and then he went on:

Then, Israel had been sent anti-tank equipment; 75-millimeter shells; tracks and spare parts for tanks.

He went on to itemize the equipment, and then there was this sentence:

The total came to over $2,800,000—

Naturally he was talking about shipments to Israel.

Mr. Pearkes: No, no.

Mr. Pearson: If my hon. friend says he was talking not about Israel, as mentioned in that paragraph, but about Egypt with which he had dealt in the previous paragraph, and intended to cover both, then it is entirely accurate. If it is read as I think it should be read in relation to Israel, then there is a mistake.

Mr. Pearkes: I would just say I was not reading my speech and I did not paragraph it. I am certainly not responsible for the paragraphing. However, "total" means but one thing and I had made no break in the description I had given.

Mr. Colin Cameron (Nanaimo): I feel rather in the position of someone who has come in to add a postscript to a letter that has already been written. It will be, I hope, a modest postscript and perhaps avoid some of the colour that has crept into the main body of the discussion.

I have no wish to associate myself with the rather extravagant descriptions of government ineptitude we have heard from this side of the house. I cannot help thinking that to have the opportunity of earning the dramatic and colourful title of "merchant of death" at such a cheap rate as our government apparently has is almost an irresistible opportunity. I believe we have to place this on a more pedestrian basis. I believe also that the Secretary of State for External Affairs has to be reminded that this matter arose over a very small shipment of arms, not to the state of Israel about which he expressed such concern a few moments ago, but to one of the possible aggressors against the state of Israel.

I think we have to look realistically at this situation. I cannot for the life of me reconcile two of the statements the minister made within the last half hour. On the one hand, Mr. Speaker, he denounced the suggestion of the official opposition that Canada should be prepared to send forces to guarantee the existing boundaries between the Arab states and Israel without having primarily some indication of what the great powers, who have a greater interest there, are prepared to do. He said that on the one hand, but then dealing with the subamendment that came from this group he told us he could not support that because it meant that we would have to wait until a decision had been made by the United Nations or by the great powers, and that therefore it would hamper our opportunity to take independent action if we thought fit to do so.

There are some inescapable facts with regard to the situation of Israel. One has been mentioned in this house, and that is the disparity in numbers between the inhabitants of Israel and inhabitants of the surrounding Arab states, a disparity of 30 to 1. I suggest, Mr. Speaker, we are deluding ourselves if we imagine that by arming the state of Israel, to the limited extent that Canada could arm her or even to a much greater extent, we could help Israel overcome that initial disparity.

I am well aware, sir, of the ominous, in fact one might almost say sinister, parallel that can be drawn between the present condition in which Israel finds herself and the condition in which the republic of Spain found itself in 1936. I suggest that analogy could be stretched too far; that there was an opportunity, had there been shipments of arms into Spain, for that country to have resisted the forces brought against it. I suggest there is no such opportunity offered today for the state of Israel.

Therefore the subamendment we have moved to the Conservative amendment is a valid attempt to place this on a realistic basis. The only security the state of Israel can hope for must be a security based on guarantees and action by the United Nations or by the tripartite powers. For Canada to dabble even to the extent to which she has dabbled in the sale of arms to either side is not going to improve Israel's final position, but may very well muddy the waters there which should be clarified by United Nations action. It is for that reason that we in this group are hoping that the Conservative opposition—though this hope is very doubtful since the speech of the Leader of the Opposition—will accept our sub-amendment to their amendment and place this whole situation on a realistic basis.

I am not unmindful of the position of Israel, particularly as a member of this group; for there is no group in this house that has closer ties with the state of Israel than this group. The philosophy that motivates the government of Israel is very much akin to the philosophy that motivates this particular group in this house, and for that reason we are even more closely and personally concerned with the fate of the state of Israel

than are others in this chamber. I think we shall be serving not the cause of Israel but the cause of world conflagration unless we formulate our policy on the grounds of United Nations action and guarantees in that area.

It is all very well to say that the boundaries have not been finally drawn. There is only one body under whose aegis those boundaries can be finally drawn, and that is the United Nations. I would hope that this government would pursue some of the conversations that were hinted at this afternoon by the Secretary of State for External Affairs, and not attempt to play a not important and perhaps extremely irritating role in the way of shipping arms to the Near East.

An hon. Member: The honest broker.

Mr. Cameron (Nanaimo): The honest broker, as an hon. member to my right suggests. I have an idea that in the case of arms there are not very many honest brokers. I think we had better devote our attention to being honest negotiators and an honest pressure group with the United Nations seeking a final solution to this problem.

Now, Mr. Speaker, I want to deal with a wider range of our policy than is represented by the particular sore spot in the Middle East which the Secretary of State for External Affairs pointed out to us. Other nations have a greater interest there than we have. We have interests in other parts of the world that are perhaps just as serious as those in the Middle East.

Not long ago, sir, I was reading a recent biography of Canada's first prime minister, Sir John A. Macdonald. I was struck with the immense, in fact gigantic strides this country has made along the path toward recognition as an independent power speaking for herself in the world in the 89 years since this nation was established. Perhaps the measure of that lengthy travel can be found in the contrast between our situation in 1880, only 76 years ago and within the lifetime of many Canadians now living, when our first prime minister succeeded in establishing in London over the opposition of a very reluctant British government the first official representative of Canada abroad, and our position today when we have a chain of embassies and legations stretching throughout the world, dealing with all, or almost all, of the other nations of the globe.

But during the time we have been reaching that position, other changes have been taking place. Just at the time Canada has reached the position where she can speak and deal independently with other nations on her own initiative, the relative importance of those other nations has been declining, and declining for a very simple reason: the simple reason being that unhappily enough the world continues in a situation in which the final card in the game of international relations still remains the resort to arms.

Small powers and middle-sized nations in the world are aware that in the event of that catastrophe overwhelming the world, each of them must find its place in the train of one or other of the giant powers. We all know that. We know something else, too, in Canada. We know that in that event Canada is irretrievably committed to the United States side in any quarrel, both for motives of self-interest and inclination. I imagine that the close bonds between Canada and the United States in the form of a common language, a common political inheritance and largely integrated economies must appear more striking to those outside of North America than they are to those who dwell on this continent.

I think that creates a situation for which we should be profoundly grateful, because there can be no illusions in the minds either of our potential allies or of our potential enemies that it is possible to break that partnership in North America, and it affords us therefore an opportunity to speak bluntly and plainly when we consider that United States policy is mistaken or dangerous without in any way endangering those solid links on which our partnership is based. I feel we are very fortunate in that this partnership is founded on such solid foundations, and not on the rather precarious basis of treaties or formal alliances.

But I sometimes wonder whether we have not fallen victim to the rather adolescent wish to be loved by everyone. When I hear the ministers and other members of the house pointing with pride to the immense respect in which Canada is held throughout the world, I cannot help wondering whether we have fallen victim to the wish to be the little friend of all the world. I should like to remind the government of Canada that we all know the fate of the man who seeks always to avoid giving annoyance to anybody. He winds up by exasperating everybody. I have in mind a number of cases in which it seems to me that this rather immature desire to be approved and loved has hampered the conduct of our external affairs.

The first of these I want to deal with is the one that was dealt with at some length this afternoon by the Leader of the Opposition, namely the question of our relationship with the de facto government of China. I think all of us have known since last year, following the return of the Prime Minister from his world trip, that the Prime Minister

and his colleagues are fully aware of and fully awake to the realities of the situation. They have realized that we must eventually face facts, however much we may dislike them.

After the Prime Minister spoke in this chamber—and I may say he spoke in a most forthright manner—on this subject, there could be no doubt in our minds as to where he stood, and in all probability where his colleagues stood, on this vexed question. They knew. They know today that eventually this has to be done.

Now, I wonder—I am not able to say; I have no means of knowing—just what are the considerations that prevents our government following the dictates of its own analysis of the situation and its own common sense. I am reminded that at the present time, probably this very afternoon, in the city of Washington, Sir Anthony Eden is in the process of having conversations with the President and the Secretary of State of the United States. It is reported that one of the matters that will be discussed is this vexed question of the recognition of red China. Despite what the Leader of the Opposition had to say earlier this afternoon, I have seen no indication in any published statements by members of the present British government that they are at all inclined to reverse the action taken by their predecessors in office. I have, on the other hand, through the reading of British periodicals of all political flavours, reached the conclusion that the British government and the British people are impatient with the irrational approach to this question of our United States friends and I am sure that Sir Anthony Eden today would be extremely grateful if in his dealings with the United States authorities he had behind him a forthright declaration on the part of the Canadian government.

I was surprised this afternoon to hear the Leader of the Opposition suggest that recognition of China would be a very bad bargain. I thought it was rather a commercial basis on which to put our decision on this question. I gather that if we were able to sell unlimited quantities of wheat to red China we would be prepared to overlook their immoralities. I do not like to put it on that basis. I like to put it on the basis of the actual facts in the world today.

I was very struck last year when in Ottawa I accepted the invitation of one of the other Asian governments—a friendly government—to attend a showing of pictures of the Bandung conference. I was particularly struck, as I am sure were any hon. members who attended, by the way in which the commentator commented on the arrival of each delegate to that conference. There were a number of delegates there from smaller countries not represented in the United Nations, and in announcing each of them the commentator said, "The delegate for such and such a country, representing so many people not represented in the United Nations". Finally, of course, the representative of China arrived and with particular emphasis the commentator, who was acting as a spokesman for this friendly government, emphasized this fact by announcing the representative of the republic of China, representing 400 million people not represented in the United Nations.

Those are some of the facts in the matter we had better keep in mind when we talk about capturing the support of the uncommitted areas of the world. We have to remember that due to our past deplorable conduct—and I am speaking now of us as a white race—all the actions of the white race are objects of the deepest suspicion to the peoples of Asia. Coupled with their impatience at the refusal to recognize the de facto government of China as such, there will also be the gnawing feeling in the back of their minds that one of the reasons we treat those 400 million so cavalierly is that they are not members of the now declining dominant race of the world.

At this point, Mr. Speaker, I should add that I quite agree with the Secretary of State for External Affairs that any decision we make with regard to communist China must not be taken as covering the situation with regard to Formosa. I have an idea that perhaps the Formosan people will look with an equally jaundiced eye upon Mr. Chou En-lai and Mr. Chiang Kai-shek, and will quite likely wish to decide their own future by themselves. I feel that should be made quite clear before any question of the recognition of China comes formally before the United Nations. It should also be made clear that the people of Formosa should be left under the United Nations aegis to decide their own fate.

There is another matter in which it seems to me the government has failed to take advantage of this unique relationship we have with our largest neighbour. It is a matter which I and several other hon. members have raised repeatedly at intervals during the past few years. That is the question of the continuation of the thermonuclear tests in the Pacific.

It appears to be pretty well established that these tests are unnecessary as a means of adding in any material way to the military strength of the west. As one rather caustic physicist put it, "They have enough now to blow up the whole world. Do they also want to blow up Mars?" I am aware, of course,

that one of the excuses given for the continuation of the tests is that they provide valuable data with regard to defence against such weapons. I take leave to doubt the validity of that argument, because any data gathered in the far Pacific is not going to be particularly applicable to the case of a bomb dropped on a major city in North America.

There is also another question which I think our government should be considering in this connection. These tests constitute a definite breach of article 73 of the charter of the United Nations, which imposes upon member nations who are in control of non-self-governing territories, including trusteeship territories, the obligation that the interests of the inhabitants shall be paramount. That is the undertaking of a member nation who takes charge of a trusteeship territory. I think we all remember that the unfortunate inhabitants of this area have already placed their protests before the United Nations. I think it is regrettable that in this instance Canada has not taken steps to bring this matter forcibly to the attention of the United States, Great Britain and the U.S.S.R.

I know, of course, the argument is that perhaps the Russians will not agree to it. Good and well; nothing could be a greater diplomatic victory to the west than the refusal on the part of the Soviet union to agree to the cancellation of these tests. We are also told that they might agree but they would continue the tests anyway. Quite possibly; but in the present stage of development of monitoring devices that would be impossible without becoming common knowledge throughout the world, and the Russians would again suffer a diplomatic defeat. I think this is another case where apparently we are suffering from the adolescent attitude of not wanting to be nasty to our friends, not wanting to irritate them or to cause them embarassment.

In the few minutes left at my disposal I want to deal with another aspect of our foreign policy, and that is the link that inevitably exists between our foreign policy and our defence policy. It is almost impossible to separate the two, as we have noted in the course of the debate so far. I have referred to the unconditional manner in which we are committed to the United States. In nothing is this more definite than in the question of the defence of North America, but I think we must take a serious look at our capacity to contribute to that defence today.

I do not often find myself in agreement with Mr. John Foster Dulles, but on the occasion he told us that there is no defence to thermonuclear attack except the fear of massive retaliation I found myself in complete agreement. I presume that Mr. Dulles was voicing the opinion of his military advisers when he made that statement. Where does that leave us in Canada? Just how far can we go in making a contribution to massive retaliatory action against a thermonuclear attack.

Here again I think we perhaps need to grow up. We have to realize that we must make a sober estimate of our capacity in that regard. Remember that we are in an extremely different position today than we were in the first world war or even during the second world war, when it was possible in the then state of military development for a small power to make a useful contribution to a joint effort. A few more divisions, even though they might be small in comparison with the total effort, was that much more additional power. A few more air squadrons, even though they might not constitute more than a fraction of the total air power engaged, would increase the striking power of the air force.

Today we face an entirely different proposition. We face the sort of thing that is going on in the United States today. If we are having delusions of grandeur about being able to play in this game I would refer the house to recent articles which have appeared in United States periodicals about the crash program in connection with guided missiles. The United States are reported as spending $5 billion on this one aspect of defence, and I suggest that is too big a poker game for Canada to be able to buy chips.

We can contribute geography, and we can do something else. We can divert our enormous resources from their present dubious defence uses to the production of capital goods for those areas in the world which are at the present time uncommitted. We are not going to accomplish that by an increase of $9 million, $10 million or $29 million in our contribution to the Colombo plan. We are in a race for time. I would suggest that Canada's most significant role in foreign affairs today would be to gear her economy in large measure to the provision of that aid which may very well decide the battle in the uncommitted areas of the world.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am happy to note that there is about half a minute left in which to deliver a speech which I had prepared. I am afraid that the speech will have to be put in cold storage.

I should like to use this remaining half minute to explain why we are going to vote the way we will vote. If I could have given

my speech as planned I would have indicated that this group has no confidence in the present government's over-all policy in respect to external affairs, and if an amendment had been presented as a want of confidence amendment indicating that the government were somewhat insipid and wishful in dealing with communism on the international level, then certainly we would have voted for such an amendment.

However, the amendments deal with only one part of government policy, and must be analysed in that particular light. The Conservative amendment calls for—

Mr. Speaker: Order. It being five minutes to six o'clock p.m., pursuant to the order passed by the house I must interrupt the proceedings and put the questions.

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

YEAS

Messrs:

Argue
Barnett
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
MacInnis
McCullough (Moose Mountain)
Nicholson
Regier
Zaplitny—19.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Ashbourne
Batten
Bell
Benidickson
Bennett
Bennett, Miss
Blackmore
Blair
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Brisson
Brooks
Brown (Brantford)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Charlton
Churchill
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Dinsdale
Drew
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairclough, Mrs.
Fontaine
Fraser (Peterborough)
Fulton
Gagnon
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Girard
Goode
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Habel
Hahn
Hamilton (York West)
Hanna
Hansell
Hardie
Harkness
Harris
Harrison
Healy
Hees
Hellyer
Henderson
Henry
Hodgson
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacKenzie
MacLean
MacNaught
Macnaughton
McBain
McCann
McCulloch (Pictou)
McDonald
McGregor
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Martin
Matheson
Menard
Meunier
Michaud
Michener
Mitchell (London)
Monette
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nesbitt
Nixon
Nowlan
Pallett
Patterson
Pearkes
Pearson
Perron
Philpott
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robinson (Bruce)
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Rowe
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Small
Smith (Battle River-Camrose)
Smith (York North)
Stanton
Starr
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Trainor
Tucker
Tustin
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Hastings-Frontenac)
White (Waterloo South)
Wylie
Yuill—200.

Mr. Speaker: I declare the amendment to the main motion lost. The question now is on the amendment to the main motion.

External Affairs

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

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Bennett, Miss
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gagnon
Girard
Green
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Perron
Poulin
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Thatcher
Trainor
Tustin
White (Hastings-Frontenac)
Zaplitny—64.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Brisson
Brown (Brantford)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fontaine
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Martin
Matheson
Menard
Meunier
Michaud
Monette
Murphy (Westmorland)
Nixon
Patterson
Pearson
Philpott
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Wylie
Yuill—153.

Mr. Speaker: I declare the amendment to the main motion lost. Is it agreed that the main motion be now withdrawn?

Some hon. Members: Agreed.

Motion withdrawn.

BUSINESS OF THE HOUSE

Mr. Harris: May I just say that the business on Friday will be the business of last Friday.

It being twenty-three minutes after 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:

RETIRED CIVIL SERVANTS—PENSIONS

Question No. 15—**Mr. Knowles:**

1. How many retired civil servants are receiving pensions of amounts within each of the following brackets: (a) less than $20 per month; (b) $20.00 to $29.99 per month; (c) $30.00 to $39.99 per month; (d) $40.00 to $49.99 per month; (e) $50.00 to $59.99 per month; (f) $60.00 to $69.99 per month; (g) $70.00 to $79.99 per month; (h) $80.00 to $89.99 per month; (i) $90.00 to $99.99 per month; (j) $100 per month and over?

2. How many widows of retired civil servants are receiving pensions of amounts within each of the brackets indicated in the above question?

3. What is the number of retired federal civil servants and also the number of widows of retired federal civil servants presently residing in each province?

Answer by: **Mr. Harris:**

1 and 2.

	Retired Civil Servants	Widows
(a) less than $20.00 per month	355	1,077
(b) $20.00 to $29.99 per month	653	1,152
(c) $30.00 to $39.99 per month	806	1,068
(d) $40.00 to $49.99 per month	896	899
(e) $50.00 to $59.99 per month	827	715
(f) $60.00 to $69.99 per month	877	457
(g) $70.00 to $79.99 per month	907	354
(h) $80.00 to $89.99 per month	957	217
(i) $90.00 to $99.99 per month	876	165
(j) $100.00 or over per month	5,848	355
	13,022	6,459

	Retired Civil Servants	Widows
Newfoundland	79	26
Nova Scotia	487	241
Prince Edward Island	64	37
New Brunswick	307	199
Quebec	2,264	1,327
Ontario	5,830	3,030
Manitoba	616	275
Saskatchewan	324	121
Alberta	531	240
British Columbia ...	2,159	757
Elsewhere	341	206
	13,022	6,459

Questions

EXCHANGES OF WHEAT

Question No. 49—**Mr. Diefenbaker:**

How many bushels of wheat, week by week, by provinces, have been exchanged under the recently announced policy whereby farmers may exchange good grades of wheat grown by them for low grades, or feed wheat, stored in local elevators?

Answer by: **Mr. Howe (Port Arthur):**

As reported to the board by handling companies to January 21, 1956, the bushels of wheat exchanged under board instructions to the trade No. 18 of November 18, 1955, were as follows:

Week Ending	Alberta	Saskatchewan	Manitoba
		(bushels)	
Dec. 10, 1955 ...	8,021·1	238·5	
Dec. 17, 1955 ...	4,000·4	484·0	
Dec. 24, 1955 ...	2,707·8	1,400·0	
Dec. 31, 1955 ...	3,197·0	197·0	
Jan. 7, 1956	10,190·3	864·7	39·0
Jan. 14, 1956 ...	31,528·0	8,066·6	71·0
Jan. 21, 1956 ...	9,098·0	3,682·2	599·0
	68,742·6	14,933·0	709·0

ST. JEAN, QUEBEC, POST OFFICE

Question No. 62—**Mr. Perron:**

1. Have tenders been called for the building of a post office at St. Jean, Quebec?

2. If so, when were they advertised, and by what means?

3. What are the names of those submitting tenders and what was the amount of their respective tenders?

4. Who was awarded the contract and on what date?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. Yes.

2. July 11, 1955, by public advertisement.

3.

Name	Lump Sum (Limestone)	Lump Sum (Granite)
Lemieux & Frere Inc., St. Jean, P.Q.	$503,987.00	$543,987.00
Methe Freres Engr Bedford, P.Q.	494,302.00	559,302.00
Jean Paul Trahan, St. Jean, P.Q.	517,000.00	569,000.00
Bourcier & Tremblay Ltée., Val d'Or, P.Q.	499,760.00	590,836.00
Chas. Duranceau, Ltd., Montreal, P.Q.	529,900.00	592,000.00

4. Contract awarded to low bidder on granite alternative, Lemieux & Frere Inc., St. Jean, P.Q., on December 19, 1955, after negotiations with him caused a reduction of his tender to $528,987.00.

Questions

POSTAL REVENUE INCREASE

Question No. 63—**Mr. Perron:**

During the fiscal year ending March 31, 1955, what additional revenue was received from the increase in rates of postage under chapter 20 of the statutes of 1953-1954?

Answer by: **Mr. Lapointe:**

Postmasters do not record separately receipts for various classes of mail; indeed it is impossible to do so accurately since postage stamps sold may be used to prepay postage on any mailable item, letter, postcard, parcel, etc. However, from an examination of the mail stream it is estimated that during the fiscal year ending March 31, 1955, the additional revenue received from the increase in rates of postage under chapter 20 of the statutes of 1953-54 was $15,000,000.

MIDDLESEX COUNTY, ONT.—RURAL MAIL ROUTES

Question No. 67—**Mr. White (Middlesex East):**

1. How many rural mail routes have been extended in the county of Middlesex, in each of the years 1952-1955 inclusive?

2. What routes have been extended during that period?

3. What is the increased mileage in each route extended, during the above mentioned years?

4. How many rural mail couriers have received extra mileage pay for the increased mileage covered?

Answer by: **Mr. Lapointe:**

1. 1952, 1; 1953, 2; 1954, 5; 1955, 5.

2 and 3. 1952—Wilton Grove R.R. No. 1, 1·4 miles; 1953—Dorchester Station R.R. No. 1, ·8 mile; Lambeth R.R. No. 3, 1·0 mile; 1954—Arva R.R. No. 1, 1·6 miles; Dorchester Station R.R. No. 2, 1·6 miles; Mossley R.R. No. 2, ·8 mile; Thorndale R.R. No. 4, ·8 mile; Wilton Grove R.R. No. 2, 2·8 miles; 1955—Arva R.R. No. 1, 1·0 mile; Byron R.R. No. 1, 8·9 miles; Dorchester Station R.R. No. 1, 3·2 miles; Dorchester Station R.R. No. 2, 5·4 miles; Wilton Grove R.R. No. 1, ·4 mile.

4. All contractors of extended routes received additional payment at *pro rata* for the increased mileage.

[1]*See also pages 790 and 1095.*

HOUSE OF COMMONS

Thursday, February 2, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

VISIT OF SIR ANTHONY EDEN—CHANGE IN HOURS OF SITTING ON FEBRUARY 6

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, as hon. members are aware, the Prime Minister of the United Kingdom, Sir Anthony Eden, will be arriving in Ottawa tomorrow afternoon. Arrangements have been made to have our distinguished guest address the members of both houses of parliament in this chamber at 2.30 o'clock on Monday afternoon. Because of these arrangements it will be necessary to delay the opening of the ordinary proceedings of the house until 4.30 o'clock on Monday. If I may have the unanimous consent of the house I should like to move:

That when this house adjourns tomorrow it stand adjourned until Monday next at 4.30 o'clock in the afternoon.

I understand that the ordinary tickets for the gallery have been cancelled for that occasion and special tickets have been distributed to the whips to be made available to the members of this house who wish to have guests attend the ceremony. It would be appreciated, of course, if all hon. members could be in their seats a few minutes before 2.30 in the afternoon.

We have all received from you, sir, a very kind invitation to attend in your chambers immediately after the ceremony to have the privilege of meeting with the Prime Minister and the Secretary of State for Foreign Affairs, Mr. Selwyn Lloyd.

Mr. Knowles: Before the motion is put may I direct a question either to the Prime Minister or the leader of the house? In view of the fact that Monday would normally be private members' day, is there not some arrangement that could be made so that the time lost might not be lost entirely by private members?

Mr. Harris: We can solve the problem immediately by saying it had been our intention, and still is, that we should move to go into supply on Monday.

Motion agreed to.

EXTERNAL AFFAIRS

RUSSIA—EXCHANGE OF PARLIAMENTARY DELEGATIONS

Mr. Speaker: On the subject matter of the exchange of visits by parliamentarians, I have received another communication from the Secretary of State which I have asked the Clerk to have mimeographed, and copies will be distributed to hon. members.

REQUEST FOR TABLING OF MINISTERIAL ORDER OF JULY 7

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): In view of the discussion that has already taken place concerning the possibility of further discussion on the matter, I would ask the Prime Minister if he would arrange to have the ministerial order of July 7 referring to the Harvard aircraft tabled so that it may be before the members of the house.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think this matter has been fully canvassed and discussed—

Some hon. Members: No, no.

Mr. St. Laurent (Quebec East): —and full information has been given as to how that ministerial order was made. The only official document which is provided for by the statute is the export licence.

Mr. Drew: May I then ask the Prime Minister, Mr. Speaker, if he will have the export licence tabled which covered this particular order?

Mr. St. Laurent (Quebec East): Mr. Speaker, that is a document which for other reasons it is not practicable to make public. All these documents dealing with individual transactions of commercial corporations are treated as confidential and are described as such in their form for purposes that are legitimately required by our industrialists who engage in competitive business.

Mr. Drew: Mr. Speaker, may I then ask the Prime Minister what document there is that can be placed before the house which will show what actually took place on July 7?

Mr. St. Laurent (Quebec East): There is no document which can be placed before the house to show what actually took place on July 7. The hon. gentleman has been informed of how the matter was dealt with. It

was dealt with by communications between ministers and those have invariably been regarded as confidential documents and have to be treated as confidential documents so that the ministers who are all jointly responsible for that which has been done, even under statute, by any one of them may see to it that they are properly informed of when and how they are going to have this joint responsibility.

Mr. Drew: In that case, Mr. Speaker, just to clarify it, may I ask the Prime Minister if the published list which is issued by the Department of Trade and Commerce covering aircraft is not in fact the full list of permits that are issued?

Mr. St. Laurent (Quebec East): Well, I would have to look at that list. I must confess that I have not recently read any of those lists of permits that have been issued by the Department of Trade and Commerce. I will have to look at that and then compare it with the other information that is available to me in order to be able to answer the hon. gentleman's question.

Mr. Drew: Mr. Speaker, simply by way of explanation—

Some hon. Members: No, no.

Mr. Drew: Simply by way of explanation I would point out that there is a record of permits issued and that there is one actually published—

Some hon. Members: Order.

Mr. Drew: —which shows two licences: one for an aircraft to Egypt and one for an aircraft to Arabia which are not included—

Mr. Speaker: Order. I feel I must interrupt the Leader of the Opposition with regret, but if I am to allow the debating of any one answer I will have to allow all hon. members to do so.

INQUIRY AS TO SECRECY OF EXPORT PERMITS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of some earlier questions in connection with the export permit mystery, would the Prime Minister state whether there are certain kinds of export permits covering aircraft and aircraft parts which are secret and others which are not secret, and what is the reason for the division between secret and non-secret?

Right Hon. L. S. St. Laurent (Prime Minister): All export permits are treated as confidential documents for commercial reasons. They contain information with respect to commodities, prices of commodities, the source of supply, the firm dealing in those commodities, and for that reason these documents have always been treated as being confidential for the proper protection of those who are engaged in competitive business.

Mr. Fleming: May I ask the Prime Minister if that is the view taken by the government even where the purchase is made from Crown Assets Disposal Corporation?

Mr. St. Laurent (Quebec East): From Crown Assets—

Mr. Fleming: Crown Assets Disposal Corporation.

Mr. St. Laurent (Quebec East): Well, I would have to inquire whether those permits are in the same form. They are probably in fact treated as confidential but I do not know that they should be.

[*Later:*]

On the orders of the day:

Mr. Diefenbaker: Would the Prime Minister say, in view of his explanation a moment ago, that the export of arms and aircraft is now a competitive business in this country?

Mr. St. Laurent (Quebec East): The export of aircraft parts is a competitive business in this country, but I do not think that the export of aircraft themselves could be regarded as a competitive business, not, at least, as between Canadian producers.

Mr. Drew: I wish to direct a question to the Prime Minister in view of his last answer. If the sale of aircraft is not a competitive business, then why can the permit covering the export of Harvard planes not be produced?

Mr. Stuart (Charlotte): You had a bad day yesterday.

Mr. Speaker: I do not want to interrupt whatever answer the Prime Minister wishes to make to the question asked by the Leader of the Opposition, but is it the view of hon. members that cross-examination should take place at this point? I do not make the rules but I want to make sure that I interpret them in the way that the majority of hon. members in all parties interpret them. In my view the purpose of our question period is to ask questions for the purpose of obtaining information, not for the purpose of debating a certain matter under the guise of several questions. That is what has been taking place for some time.

INQUIRY AS TO REQUEST FOR 25-POUNDER AMMUNITION

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): May I ask the Secretary of State for External Affairs if the cabinet has reached a decision with regard to a request for 25-pounder ammunition which he said was placed before them some time ago?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, the matter is still before the cabinet.

Mr. Rowe: Confidential too, I guess.

REFERENCE TO EXPULSION OF U.S.S.R. OFFICIALS FROM SOUTH AFRICA

On the orders of the day:

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to direct a question to the minister of peace—I mean the Secretary of State for External Affairs. Has the minister any comment to make on the outstanding action of the government of South Africa in expelling representatives of Russia because of their conduct?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, I have no comment to make on that matter. However, I do admit I am glad, in view of the discussions of the last few days, to be called minister of peace.

Mr. Harkness: He meant piecemeal.

GRAIN

WHEAT—ANNOUNCEMENT OF INTERIM PAYMENT ON 1954-55 CROP

Right Hon. C. D. Howe (Minister of Trade and Commerce): I wish to announce a wheat payment, Mr. Speaker. The Canadian wheat board has recommended and the government today decided to authorize the board to make an interim payment in varying amounts on the higher grades of wheat delivered during the crop year 1954-55. The cheques will be mailed to producers as soon as they can be calculated and issued, probably about February 15.

The interim payment will be 10 cents per bushel on Nos. 1, 2, 3 and 4 northern and No. 4 special, including toughs and damps of those grades; 5 cents per bushel on Garnets; 25 cents per bushel on No. 1 to No. 4 Durums; 10 cents per bushel on the lower grades of Durum; 10 cents per bushel on soft white springs and 5 cents per bushel on certain minor grades. A full schedule of payments will be issued by the wheat board in the customary way. The full amount to be distributed to producers in this interim payment will be $22,300,000. Returns from the sale of feeding grades of wheat do not justify an interim payment on Nos. 5, 6 and feed wheat. I believe, however, that it will be possible to make a final payment on these grades when the pool is closed.

A final payment on the 1954-55 wheat pool account must await approval of the legislation now before the house with respect to the assumption of carrying charges on excessive wheat board stocks, as well as reduction in the size of this account to a level which would enable the balance to be transferred to the 1955-56 account.

Mr. H. R. Argue (Assiniboia): May I ask the Minister of Trade and Commerce a question arising out of his very welcome announcement? Can the minister say whether it is his hope or intention that the final payment can be made in time to be in the farmers' hands before seeding?

Mr. Howe (Port Arthur): I announced some time ago that I would discuss final payment when the legislation now on the order paper had been passed. I had thought that would be a much shorter period than now appears probable. I now understand that the bill is to be filibustered.

Mr. Argue: Mr. Speaker, may I ask a further supplementary question? Will the minister consider discussing with the leader of the house the possibility of calling first tomorrow the item having to do with storage in the hope that it can be passed tomorrow?

Mr. Howe (Port Arthur): No, Mr. Speaker. We have undertaken to pass a very simple resolution, and until that is passed we are not prepared to take any other resolution.

Mr. Argue: In other words, the minister is holding up the storage legislation.

Mr. Drew: Mr. Speaker, on a question of privilege, I would point out that a subject that has been debated one day, even in the sensitive mind of the Minister of Trade and Commerce, should not yet be described as a filibuster.

Mr. Diefenbaker: Mr. Speaker, arising out of the minister's welcome but very belated statement—perhaps I should have amended the statement I made earlier—would he say what is being done with regard to assuring farmers a greater opportunity to market their wheat through the freight cars that have been made available to a greater extent recently? On the basis of the additional number of cars that have been made available at the present time, would the minister say what the prospects are of an increase in the quota to the various areas of the western provinces?

Inquiries of the Ministry

Mr. Howe (Port Arthur): I gave the actual loadings of last week and as I recall the figure averaged 867 cars per day.

Mr. Diefenbaker: Since when?

Mr. Howe (Port Arthur): That was the daily average for last week. I get daily reports from the Canadian National Railways showing the exact number of its cars loaded, the additional cars going into the area, and the unloads at all the ports. Those reports indicate that additional cars are going into the grain movement every day.

I have not the same complete reports from the Canadian Pacific Railway, but the car loadings on the Canadian Pacific Railway are increasing. That railway is also putting more box cars in the grain movement, and, therefore, we can look for steady improvement in the rate of country loadings.

LABOUR CONDITIONS

UNEMPLOYMENT INSURANCE—POSITION OF STRIKING EMPLOYEES OF GENERAL MOTORS

On the orders of the day:

Mr. John M. James (Durham): Mr. Speaker, this may appear a bit unusual, but the hon. member for Ontario (Mr. Starr) and I would like to combine in asking the Minister of Labour a question. Would the minister care to comment on the position under the Unemployment Insurance Act of those General Motors employees now on strike who will not be recalled to work immediately following the hoped-for strike settlement?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, in reply to the joint question of my two hon. friends, the procedure in this case would be exactly the same as in all others. That is as follows: When General Motors resumes operations and the plant starts again, then those former workers who are not taken on or have not found other employment when the plant reaches normal production may apply for unemployment insurance.

As to the definition of "normal production", the former production output and the normal number of employees, of course, are considered as factors. Where there is a difference of opinion between the claimant and the insurance officer the matter may be taken to the board of referees, and, of course, to the umpire if necessary.

NATIONAL DEFENCE

INQUIRY AS TO SUPPLYING CF-100 PLANES TO AUXILIARY SQUADRONS

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister inform the house whether any decision has been made in regard to supplying the CF-100 to auxiliary squadrons?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker. The future of auxiliary squadrons is still under consideration, but I hope to be able to make a statement shortly. We have had the senior officers of all auxiliary squadrons in; we have had a number of conferences, and we are now working on proposals for the future.

PRIVILEGE

MR. WHITE (MIDDLESEX EAST)—REFERENCE TO ANSWER TO QUESTION

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I rise on a question of privilege. At page 786 of yesterday's *Hansard* there is an answer to a question of mine which appeared on the order paper asking for the number of rural routes extended in the county of Middlesex. The answer gives only those extended in Middlesex East, and not the whole county. I would therefore ask that the question be reinstated on the order paper.

Mr. Speaker: We will take note of the request of the hon. member; but whenever this type of request is to be made I might inform the hon. member that he may see the clerk of orders and notices if these questions are to be reinstated with respect to the part not covered.

MEAT

HOGS—REFUNDS IN PURCHASES BELOW FLOOR PRICE

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Mr. Speaker, I should like to direct a question to the Minister of Agriculture, notice of which I gave him yesterday. Will he make a statement to the house concerning the administrative machinery set up by his department which will guarantee a floor price to hog producers in western Canada?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the arrangement made under the order setting up the floor price for hogs is on the basis of 23 cents for grade A hogs at Toronto and Montreal. The provision under which that floor price can be obtained is that the hogs pass through a stockyard. The floor price is made available at the stockyard. Any person delivering hogs in Saskatchewan can get the floor price at the stockyard and there is no excuse for

anyone not getting it provided he takes the hogs there. I have sent for the full information on the slip that was given to me, and I have sent the slip along as well. There is no name on it to indicate who delivered the hogs and there is no explanation as to why he took 25 cents less. I can think of many reasons why some people may have taken 25 cents less.

HOGS—AUTHORITY FOR FLOOR PRICES AT WINNIPEG

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Agriculture. Could the minister inform the house if there are floor prices for hogs established at Winnipeg and, if so, under what authority?

Right Hon. J. G. Gardiner (Minister of Agriculture): Yes, Mr. Speaker, there are floor prices established at Winnipeg. As a matter of fact, floor prices are established at all stockyards across the country. This is done under the authority that established floor prices, the Agricultural Prices Support Act.

DISABLED PERSONS

INQUIRY AS TO POSSIBLE LIBERALIZING OF REGULATIONS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Have discussions been held between officials of his department and officials of the provincial departments with a view to liberalizing the regulations under the Disabled Persons Act and, if so, can the minister report anything by way of progress?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, my hon. friend will remember that the other day I indicated to the house that officials of the provincial and federal governments charged with the responsibility of disabled allowances administration were meeting to discuss, as they had decided to do some time ago, certain aspects of their administration. Beyond that there is nothing further that I can say at this time.

POTATOES

REPORTED SHORTAGE OF BOX CARS IN PRINCE EDWARD ISLAND

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of Transport. Has the minister any statement to make regarding the reported shortage in Prince Edward Island of suitable railway cars for the shipment of potatoes?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member who has just put this question and the hon. member for Prince (Mr. MacNaught) have both drawn this matter to my attention. Unfortunately in the time which has elapsed since they did so I have been unable to obtain any information with which to reply to the question. I shall endeavour to do so tomorrow.

TRADE

INQUIRY AS TO PROGRESS OF NEGOTIATIONS WITH RUSSIAN DELEGATION

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Minister of Trade and Commerce, but first may I assure the Minister of Agriculture that I will send him the name if he so requests.

Mr. Gardiner: I can get it whether you wish it or not.

Mr. Bryson: And I should like to get the slip back.

Mr. Speaker: Order. Would the hon. member be good enough to put his question?

Mr. Gardiner: I think I should be permitted to say, in view of the statement that you, Mr. Speaker, have allowed to be made, that the slip will be returned when I have all the information necessary in order to answer the insinuations that were made.

Mr. Bryson: Would the Minister of Trade and Commerce report on the progress so far in the trade negotiations with the Russian trade delegation in Ottawa?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I must advise that I have not as yet received a report on the progress of the negotiations.

REQUEST FOR REVIEW OF CONTROLS ON TRADE WITH CHINA

On the orders of the day:

Mr. Claude Ellis (Regina City): Mr. Speaker, I should like to address a question to the Minister of Trade and Commerce. In view of yesterday's announcement, following the Eisenhower-Eden meeting in Washington, that Britain and the United States have agreed to review the scope of controls on trade with China, will Canada make a similar review with a view to extending our trade in non-military goods to that area?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I presume that Prime Minister Eden will inform us of his discussions in Washington. If, in the light of that information, a further review of our trade relations with China is warranted, I am sure the review will be made.

INTEREST ACT

AMENDMENT TO ESTABLISH MAXIMUM RATE

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 2, to amend the Interest Act.

He said: Mr. Speaker, the Interest Act, as it now stands, does not provide any limit on the interest that may be charged in this country. In certain fields there are limits on the interest rates that may be charged but those limits are placed there by special acts of parliament. Apart from money lent under the Small Loans Act, the Farm Improvement Loans Act, the Bank Act and so on, there is no legal limit to the amount of interest that may be charged. In the fields where there is no limit to the amount of interest that may be charged, large sums of money at very high rates are being made available.

We have already been told that an amendment or amendments to the Small Loans Act will be presented at this session. My understanding is that the bill covering the amendment or amendments will be referred to the banking and commerce committee for study, a move that I welcome. But at this time I want to express the hope that, when the subject matter of that bill is referred to the banking and commerce committee, the members of the committee will be given perfect freedom to inquire into interest rates as they are levied by all companies and business firms in this country. I am hopeful that the discussion that takes place in the banking and commerce committee may be free and that we shall be able to acquire there all the information that may be necessary to write into the Interest Act a definite limit, and one that may be as low as practicable.

When a week ago I moved second reading of Bill No. 3 having to do with limiting the interest that may be charged under the Small Loans Act, a government member moved the adjournment of the debate. The discussion was stopped. At this time I want to express the hope that the government will not have one of its members move the adjournment of this debate but that rather it will allow the debate to go on today just as long as there are any hon. members wishing to take part in it. I do not think the government at any time should use its overwhelming majority in order to cut off discussion.

[Mr. Ellis.]

After listening to the debate that took place on the Small Loans Act one might draw the inference that as long as we have the Small Loans Act in operation loan sharks, in the sense of persons or corporations, are not able to charge excessive rates of interest. The fact is that loan sharks—if you wish to call them that—are free to operate in Canada provided they are not small loan companies making small loans as defined by the Small Loans Act. In other words, as I understand the law, it is perfectly legal for an individual to make a private loan to any other individual at any rate of interest that may be agreed upon. It is perfectly legal for a finance company—an acceptance corporation, as they are often called—to make any charges that may be agreed upon between the purchaser of an article and the company that is financing that purchase.

Mr. Benidickson: If he sets out the effective rate of interest in the document.

Mr. Argue: I understand further that there is no limit to the interest or rate, or whatever name you may wish to call it, that may be charged by a business firm in providing credit for instalment purchases. I am moving this bill in the hope that there may be established in Canada, on all loans that are made on all instalment buying, an interest or rate limitation. I have suggested in this bill—as I suggested in another bill to amend the Small Loans Act—that that rate should not be more than 12 per cent per annum. When I think of the lower rates at which banks are able to lend money and when I think of the experience that credit unions have had from one end of this country to the other in lending money at a maximum rate of 12 per cent and in many instances at the bank rate of interest, I can see no good reason why a limitation should not be fixed on the interest rates that may be charged on all credit that is made available.

The acceptance corporations—that is the finance companies—from what I have been able to ascertain from making inquiries, all charge a rate in excess of 12 per cent. Hence the passage of this bill would place a definite limit on the rates that may be charged by acceptance corporations. As the result of further inquiries I have made with respect to the rates that are charged, it seems to me that a rate of 18 per cent, 20 per cent or 22 per cent is a common one. The effect of this bill would therefore be to reduce substantially the charges that may be made by those companies. Hence, in my opinion, the result would be a substantial saving to the people of this country.

The amount of money that is made available by acceptance corporations is tremendous.

The amount of money that is made available for instalment purchases of all kinds is large and growing. As a matter of fact, it now appears that the total amount of retail instalment sales in 1955 in Canada is likely to exceed the sum of $1 billion. Retail instalment sales include the purchase of such things as passenger cars, radio and television sets, electric and gas household appliances, furniture and other consumers' goods including clothing and jewelery.

The large item in this list is the item for the purchase of automobiles. Instalment credit for the purchase of new passenger cars in 1953 amounted to $252 million. Instalment credit for the purchase of used passenger cars in that year amounted to $321 million. Most of those purchases are made under what is known as a conditional sales contract. As I understand it, the purchaser has no equity in the automobile that he is purchasing, for example, until the last payment is made; and if he should fail to make a payment at any time, the automobile can be repossessed without much trouble. Since it is a conditional sales contract the purchaser is not entitled to any equity in the automobile even though he may have paid a large part of the purchase price.

On speaking to automobile dealers and implement dealers in various parts of this country, I have been informed by them that not only is there a conditional sales contract as far as the purchaser is concerned but that the same type of thing is worked by the acceptance corporation on the dealer himself, and that if there is any loss whatsoever because of the conditional sales contract, the dealer himself will be held responsible for the unpaid balances. Dealers have said to me that, two or three years ago, when things were booming on the prairies—and I am thinking of the prairies particularly—they considered that their net worth was $100,000, $200,000 or $300,000; but because of the conditional sales contract as it has been applied to dealers, and because of the rapid drop in purchasing, they felt that their total net worth —in certain instances approaching a quarter of a million dollars—was in fact at stake. These dealers, because of this type of contract and because of the high rates that are charged, felt that they might lose the total equity they had in their business. In addition to that, the customer would be losing the equity he might have had in the machine he purchased.

This business is very large and very profitable. I have the profit statistics in my hands for four acceptance corporations. The first one is the Union Acceptance Company. In 1948 that company made a profit of $22,500. Six years later, in 1954, it made a profit of over $302,000, an increase in profit of 1,239 per cent. The Laurentide corporation, another acceptance corporation, made a profit of over $30,000 in 1946, and this has been increased to $320,000 in 1954, an increase of 954 per cent within that period. The Industrial Acceptance made a profit of $53,000 in 1946, and 8 years later made a profit of $6,837,000, an increase of 2,596 per cent within that period. The Traders Finance Corporation in 1946 made a profit of $483,000, and in 1954 made a profit of $4,401,000, an increase in the 8-year period of 810 per cent. Clearly, the business of providing money by the acceptance corporations for the purpose of automobiles and other consumer goods is a very lucrative one. It is one which I believe should be inquired into by the banking and commerce committee. Possibly if we had a thorough inquiry into the business practices of the acceptance corporations, into the rates they are charging and into the profits they are making, there could in fact be a decided reduction in the charges they make with a very beneficial result to Canadian consumers.

That is one large field but there is another large field of consumer credit and that is the field of instalment purchases through retail companies. In this field I find that the interest rates or charges, whatever you may wish to term them, go up even higher than the rates charged by the acceptance company. The hon. member for Regina City (Mr. Ellis) a few days ago put on the record in detail the charges made by Eaton's and Simpsons-Sears on the smallest purchase that could be made under the instalment plan. He pointed out that the effective rate on a small purchase was 54 per cent. It is true that as the amount of the purchase increases the rate goes down, but in all instances the rates are considerably higher than the bank rates. In most instances they are from 15 per cent to 35 per cent.

I have quite a number of examples of charges made on the instalment plan, and I shall refer to one at this time. There was an interest charge of 6·25 made on an unpaid balance of $60, repayable in $6 monthly payments. On that unpaid balance of $60, Eaton's or Simpsons-Sears charged an effective rate of 23 per cent. I should like the banking and commerce committee to have before it witnesses from big corporations such as Simpsons-Sears and Eaton's which do such a tremendous business from one end of this nation to the other. I should like to ascertain from them, if we could, the amount of profit that they acquire because of their credit business and see to what extent the total profits of these huge companies are derived, not from

the amount of profit they make from the actual sale but from the profit they make through the extension of credit.

I have visited a great many homes, as most members of parliament do. I know it is a common practice, it is almost a general practice, for the housewife to have credit accounts with the big mail order houses. I have made purchases at such firms as Simpsons-Sears, and instead of telling me the article was $5.00, for example, the clerk would say to me, "What is your account number?" I said, "I have not got an account number." I felt rather guilty that I did not have an account number because the attitude they seemed to take was that if you did not have an account number you were a bit of an oddity, a bit of a piker. I said, "No, I do not come to Regina very often so I think I will pay cash." It is very simple to get credit. The charges that are made are very high. I imagine a great many purchasers not only do not understand the rate of charge, but in fact have a difficult time meeting their monthly payments because of the very high rate charged.

I am hopeful that witnesses from these two large companies, from some of these acceptance corporations and small loan companies may be brought before a committee of this house and questioned. If members of parliament had such witnesses before them, they could go into the profits that are made by these corporations and then if desirable introduce legislation to reduce the rate that might be charged. As a consequence, I am certain we would save the consumers, the ordinary rank and file of the Canadian people, ten of millions of dollars within a one-year period. We would not have to reduce the rate too much to save many millions of dollars when one bears in mind that, according to the Bank of Canada statistical summary, $2 billion is being lent in credit of one kind or another. Of course, that is not only credit that is being made available and on which very high interest rates may be charged.

Mr. Harris: May I ask how much of that $2 billion is bank loans?

Mr. Argue: I have not got the statistics at this time. There would be a considerable portion of it in bank loans. I do, however, have the amount of retail instalment purchasers to which I referred a moment ago. I made the statement that on the basis of the information available today it might be that retail instalment credit in 1955 would exceed a billion dollars. If you want to confine yourself to the billion dollar figure only and to say nothing about the high interest rate that may be charged by individuals, the high interest rates that may be charged on second mortgages, I think it is fair to say that many millions of dollars would be saved by the Canadian people if a move were made to reduce interest rates.

One hon. member of the house spoke to me yesterday about a practice that was being followed by people in the business of constructing homes.

It was pointed out to me that the amount of money made available under the Central Mortgage and Housing Corporation is not sufficient to pay the total cost of construction, and that very often the purchaser of the house does not have the total cash payment required. Therefore, the contractor takes a second mortgage on the house, and that second mortgage is then taken to a finance company which purchases it at a substantial discount. It is true that if a limitation were put on the amount that may be charged for second mortgages, the amount of money available for such second mortgages in all probability would be reduced, and unless something else were done the single act of reducing the interest rate that may be charged on second mortgages would perhaps make it more difficult for individuals to purchase houses.

At this point I should like to read a statement taken from an article in the *Chatelaine* magazine of January, 1956. It reads as follows:

> Avoid second mortgages like the plague. Rates go as high as 10 per cent, with discounts of 15 to 25 per cent. This means that if you take out a $5,000 second mortgage, the lender may only give you $4,000 cash (keeping a discount of $1,000) but you will have to pay the high interest rate on the full amount of $5,000. Thus the discount is a way for the lender to get a much higher true rate of interest on his loan than the stated rate.

The fact that houses are being made available, with second mortgages carrying an effective high interest rate, I believe to some extent at any rate undermines the purpose of the National Housing Act. The purpose of that act was to make houses available to purchasers at a reasonable rate of interest. Therefore, in the whole field of credit the government should take certain very definite additional steps. Besides placing a limit on the interest rate, the government should consider, as, passing a new act of parliament that might be called a family welfare loans act, an act which would provide a small percentage guarantee to the chartered banks to encourage them to make loans to families for ordinary consumer credit purchases, the type of purchases for which they are now paying very high rates.

As a result of the experience of the government with the Farm Improvement Loans Act, the National Housing Act and other acts

of parliament, an act such as I have suggested would be effective in making money available to Canadians at a low rate of interest and would substitute for any money sources that might be dried up as a result of limiting interest rates to 12 per cent.

I should like to see similar guarantees given under such an act, and under all other acts of this nature, to credit unions. Credit unions in Canada are an important source of credit. They are growing in importance. Over the years they have proved their soundness. I believe the government would be wise to encourage the use of credit union facilities by extending to credit unions in every instance the same type of guarantee that is now extended to the chartered banks, so that in the field of making money available to ordinary consumers the credit unions of this nation would be placed on an equal footing with the chartered banks. If that were done the credit unions would be able to function with a loss ratio not any larger, and very likely even smaller, than the very small and commendable loss ratio now experienced by the chartered banks in this lending field.

As has already been said in this house by the hon. member for Saskatoon (Mr. Knight), another thing the government should do is to require all firms, all corporations, all small-loan companies and persons in the field of lending money, to state the effective rate of interest per annum. When a customer comes in and asks for something on the instalment plan he should be immediately informed before the transaction takes place that if he obtains credit of this nature the interest rate will be 10 per cent, 20 per cent, 30 per cent, or whatever the figure may be. If that were done, it would make it much more difficult for those loan companies and corporations to charge an exorbitant rate of interest.

The first action the government should take is to place a definite ceiling on the interest charges that may be made, not only by small-loan companies, but also by acceptance corporations, by large retail firms and by individuals whenever credit is made available.

Mr. Victor Quelch (Acadia): Mr. Speaker, I agree with the hon. member for Assiniboia that this bill should be referred to the banking and commerce committee in order that there may be a thorough investigation into the subject of credit buying. Most of us are familiar with a number of the practices to which he has referred, practices that may be described as very undesirable ones and I think justifiably referred to in many instances as a racket. However, I must admit that when I first read this bill I was not too well impressed by it. It seems to me that a rate of interest of 12 per cent in an act of this kind is too high. It is true it is only a ceiling; it is true there is no ceiling at the present time; but it does seem to me that when you put a ceiling of 12 per cent into an act you are actually implying that a rate of interest of 12 per cent may be justified under certain circumstances. With one or two minor exceptions I do not think that is the case, and those exceptions can be taken care of by federal legislation.

It seems to me in the past there have been a number of cases where 12 per cent has been charged; for instance, to farmers. As a farmer I have paid 12 per cent. In the early days it was a very common practice to charge a rate of 8 per cent on loans for hail insurance. But the minute that loan became overdue the rate rose to 12 per cent. I have paid that. The due date was October 1, a date, of course, that no farmer could meet. On farm machinery the rate was 7 per cent until due, and then it became 10 per cent to 12 per cent. We all know that in the vast majority of cases it was not possible for a farmer to pay the note when it became due, therefore in a very short time he was paying 10 per cent and 12 per cent. I am glad to say that practice has ceased to a very large extent, but there are still instances where those rates prevail.

It seems to me the only instance where 12 per cent might be justified would be in regard to small loans, but small loans are covered by a federal statute and therefore would not come under this act. Small-loan companies operating outside a federal charter no doubt would feel they could not carry on their business at a rate of 8 per cent. If we put a ceiling of 8 per cent in the act, then I presume they would immediately apply for a federal charter in order to get the protection of the act. I do not like the idea of putting a ceiling of 12 per cent into an act of this kind because, as I say, it does imply, or appears to imply, that a rate of 12 per cent could be justified under certain circumstances.

I would far rather see the rate of interest set at 7 per cent or 8 per cent, and then let us pass federal legislation to take care of cases where a larger rate may not have been fair. But, in the meantime, in view of the fact that this legislation would prevent a higher rate being charged, I would support the bill.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I am told that in the early days of Christianity it was considered to be against the teachings of the church to charge any

rate of interest at all, and those members of the Christian community who were found guilty of having lent money at a rate of interest were excommunicated. I think we have come a long, long way from that early concept which was held by people toward the use of money. I fail to see how we can set maximum rates of interest that some money lenders in Canada are permitted to charge and then claim to be logical when we say that all others not covered are outside the law in so far as they may charge whatever rate of interest they are able to get.

The hon. member for Rosthern (Mr. Tucker) placed on the record the other day some statistics concerning the operations of the personal loan department of the Canadian Bank of Commerce. Those statistics revealed that although the Bank of Commerce through its personal loan department charges less than 11 per cent interest they still show a net profit of ·77 per cent. I think most of us are aware that over a period of many years the Bank of Montreal has made personal loans available to its customers at the rate of 6 per cent per annum on the minimum monthly balance. I am quite willing to concede that possibly the Bank of Montreal is doing this in the interests of good public relations and that it has to rely on its earnings on larger loans in order to break even.

I am very pleased to note the rapid growth throughout Canada of thousands of credit unions none of which charges more than 12 per cent per annum. A larger number of them find at the end of each year that they are able to supply their customers or members with a rebate of some of the interest that has been paid. We can readily see that the business of lending money is growing rapidly in Canada and the number of individuals, organizations and institutions that are engaging in this practice is steadily increasing. When we look at some of the statistics available to us it is small wonder that the number is growing. It is apparently a very easy way to make a living.

I must say to my shame that I recently visited a cousin of mine who had sold his legitimate businesses. I asked him what he was planning to do now and he replied that he intended to lend out his money because for every $10,000 he had he could arrange to lend out $50,000 and could easily get 2 per cent per month on the unpaid balance and frequently even more. I said that I was ashamed to call him my cousin because I have my opinion in relation to this practice and my regard for people who make their livelihood in this manner is very low indeed.

I have already said it is small wonder that the number of Canadians who are engaging in this kind of enterprise is rapidly increasing. With this in mind I should like to refer hon. members to page 27 of the annual report of the small-loan companies and money lenders. I am using the statistics which appear there simply because I think they are indicative in no small measure of what is happening in the money lending field. We find here the report of the Household Finance Corporation of Canada for the year ending December 31, 1954, in the small-loan field, and I notice that they had a total income of $12,812,433.21. Of that total, Mr. Speaker, they record a profit before income tax of $5,952,743.75. Under their list of expenditure I notice an advertising item of $498,373.17. If you add the advertising expenditures to the profit you get a profit of half of the complete income of this organization. Not only is their profit half of their total income, I notice it is twice the amount of wages they pay. I do not know what their scale of wages is but either it is far too low or the rate of profit is excessive and the interest they are charging is needlessly high.

I also notice there is an investment of share capital paid in cash of $3,070,000. This company in which is invested $3,070,000 was able to pay in dividends to shareholders $3,048,510. In other words, they recovered the whole of their original investment in a 12-month period.

I have available to me a mortgage which was obtained by a mill worker whom I know on a house that would sell for at least $14,000. He needed a bit of money and went to the mortgage company. Apparently he was not able to get a mortgage with reasonable ease so he then went to some of the loan sharks which unfortunately we also have in British Columbia. He signed a first mortgage on his home for $2,300 at 8 per cent and had paid out to him the sum of only $2,000. I have not bothered to work out the interest on that amount.

I have another statistic which I should like to place on the record. The organization to which I am referring is engaged in the business of financing automobile sales. I have a letter from them dated November 10, 1955, which says:

> "If the balance is paid by November 30 you will have to send $179.60."

Then on December 12 they wrote:

> "The balance is, since no payment was received, $198.47."

A further letter sent at the end of the month again states that the balance is $198.47. In other words, Mr. Speaker, for the loan of $179.60 for one month this company was charging an interest rate of 125 per cent

per annum. If this customer had been foolish enough to have sent the money on December 12 he would have paid an interest rate in excess of 250 per cent. Added to this was compulsory automobile insurance as well as compulsory life insurance. In cases such as this the customer is completely at the mercy of these companies when he applies for a refund.

There may be a reasonable argument raised on behalf of those who have money and decide to lend their money to someone else. After all, if I have a certain sum of money which is legally and rightfully mine I do not have to make that money available for the use of my neighbour, and if I were to do so the argument could be advanced that I should be entitled to stipulate my own terms and conditions and the reward that I would expect for the use of my money.

I think it is fair to say that 90 per cent of the money being used today in Canada for lending purposes does not belong to the lenders. That money is obtained from regular and recognized lending institutions. It is a very common practice when you are engaged in the retail field or in the business of selling automobiles, or even if you wish to set yourself up as a racketeer and open a finance company, that you supply $1 and the life insurance company or the chartered bank will lend you $4 more so that you will have $5 to lend out. Then you pay 4½ to 5½ per cent interest on that money and as the hon. member for Nanaimo (Mr. Cameron) pointed out the other day in the debate on the second reading of Bill No. 10—

Mr. Deputy Speaker: Of course the hon. member will not refer to a debate on another bill.

Mr. Regier: It has been pointed out that this amounts to 400 per cent on the investment. I feel that money in the insurance companies and on deposit with the banks belongs to the masses of the Canadian people and I see something very wrong in people being able to go to those institutions and obtain that money at a low rate of interest and then turn around and lend it back to the people who rightfully own the money at an exorbitant profit.

The argument is sometimes made that the government should not interfere. Let the buyer beware is an old slogan. It is argued that people should acquaint themselves with the rates of interest they have to pay and that these enterprises should be allowed to operate outside the law. These organizations and individuals have the full protection of the law, and when it comes to the customer meeting his part of the contract I submit that if this parliament claims the right to pass laws which authorize individuals and corporations to collect their pound of flesh then this parliament is morally obligated to pass legislation which will see to it that the customers, the general masses of the people of Canada, get an even break in the deal. We cannot have a law which does not place upon those who use the law for their own protection the duty of being reasonable. Some of the things being done in Canada today are not just or reasonable and legislation is necessary. If we do not want legislation to set maximum interest rates then we should abolish the legislation that enables people to enforce the sanctity of contracts. The one is as fair as the other.

I am also rather concerned with the damage being done to ethical and long-established businesses in our nation. Why should the chartered banks who are engaged in the business of borrowing and lending money not be enabled to extend their activities to meeting the needs of the people? Why should not greater encouragement be given to credit unions? I cannot recall anything important that this government has done to extend the credit union movement, although I realize that on the whole that comes under provincial legislation.

There are many respectable companies engaged in business in Canada, even in the business of lending money. Their reputation and ability to serve the people are being seriously hampered by the activities of these money shysters. Take the retail merchants of Canada, as an instance. I can think of two large furniture establishments operating in Vancouver, both selling on the instalment plan. One store allows for a reasonable profit and if an article is bought on the instalment plan the purchaser pays 9 per cent per annum on the minimum monthly balance. While that may be considered excessive by the hon. member for Acadia (Mr. Quelch) I would tell him that we consider the passage of this bill to be necessary because right in that same city is another large department store which has no markup whatever on its furniture and which openly brags that it sells at cost and makes its money out of the finance fees that are collected. They are putting out of business many of the smaller retailers in the city and they are doing injury to the other large retailer who is attempting to earn a living in an honest way.

I am concerned also with the too liberal credit which is being offered today to the Canadian consumer. I do not think that the easy money available these days is of much help to Canada in the long run. As the hon. member for Assiniboia (Mr. Argue) has pointed out, these high rates are robbing

the Canadian people of millions of dollars a year. Whatever you charge for the use of money or as an interest rate that exceeds the cost of handling money is the amount of purchasing power that you take from the Canadian people.

I have been told that some members of parliament had very little reaction to the first introduction of this bill a year ago, but that is easily understood. People who are in the clutches of loan companies or instalment buying plans do not go around openly bragging about the fact that they have allowed their finances to get into such a mess. Not many of them would want to inform even their federal member of their situation. We have almost reached the position in Canada where people consider it a disgrace to borrow money. Our forefathers had to borrow money to meet their urgent needs and that was considered a perfectly honourable thing to do and should be so regarded in our society. However, as things are now people hate to admit that they are borrowers of money.

I feel that the government must act this year. I interject again: What about the borrower? I think that this bill will be talked about in Canada for a long time if the government does not act. I am hoping that organizations throughout the country will take up the cause and make enough noise about it that it will reach the ears of the government. I hope that our religious organizations who are concerned with ethics will interest themselves in the wholesale robbery of the Canadian people which is taking place. I see no reason why those engaged in the practice of lending money or selling goods on time should not be held responsible for the toll that is extracted.

We need money for loans for necessary and worthy purposes. There are many engaged in that occupation in Canada who have a very high reputation. They are concerned with the security of the loan and all they are asking is that the rate allowed be commensurate with the cost of the services they are rendering to society. Finally, I should like to appeal to the government to rid Canadian society of some of these parasites.

Mr. Philpott: I wonder whether the hon. member would permit a question before he finishes. He said he could not remember anything that the house or the government had done to assist the credit unions. I am sure the hon. member will recall that last spring when the bill respecting loans to fishermen came before the house the credit unions were made eligible to make loans in record time, and the bill went through the house much faster than this particular measure is going through the house this afternoon.

Mr. Regier: Mr. Speaker, in answer to the hon. member's question, I believe I did not say that the government had not done anything. Relatively speaking, I felt that way and I believe I started by saying something to that effect but I amended my statement and said that they had done very little. I had in mind the very amendment that the hon. member has mentioned. However, in relation to what the government does to aid private business it has done nothing to aid the credit union movement.

Mr. Richardson: May I ask the hon. member a question? Is he not familiar with the fact that credit unions are granted exemption from taxation under the Income Tax Act?

Mr. Argue: That is not true. They pay every tax that every other corporation pays.

Mr. Deputy Speaker: Order.

Mr. Regier: Mr. Speaker, I would love to answer the hon. member—

Mr. Deputy Speaker: Order. The hon. member for Fort William.

Mr. Daniel McIvor (Fort William): Mr. Speaker, there are two sides to this question. I have had some experience with people who borrow and my advice to them has been: Do not buy anything unless you can pay cash. I think that is one thing we should emphasize.

Mr. Ellis: That is easy enough for a $10,000 a year man to say.

Mr. McIvor: I think the hon. member for Assiniboia (Mr. Argue) has done a good job in bringing this matter before the house, but he has overlooked one evil of the system. It is not the interest paid but the way the money is collected to pay the debt. I was called upon once by a young man who had borrowed money. He owed one of these corporations $400. He was told they would foreclose unless he got $100. He got the $100, and then he was told that he must pay or they would take the car his father-in-law had given him which cost $1,000 and also his truck. They said they would take the car and the truck for a debt of $400.

Of course I went to the office of this finance company with the young man. Like a real Irishman, I do like a good fight especially if you know you are right. I said, "This man came to me today and said he was going to go downtown and shoot somebody." I said, "I am going to stay in Fort William for a while and you and I cannot stay in Fort William and get away with this sort of thing."

Of course he made a new arrangement and was able to pay his debt. I hope that the parliamentary assistant will indicate to us some way by which these interest rates can be curbed. I know that the hon. member quoted the attitude of the church towards paying interest. It is a risky business to quote the church or the Bible in support of anything because there are two sides. Even the devil himself was able to support his cause by quoting Scripture but he did not get away with it. I know that the fifteenth psalm says that the honest man does not put out his money to usury. I know that the sermon on the mount says that if a man would borrow from you, turn not away. I also know that the Great Teacher said in the parable of the talents that the man was cast out because he hid his talent in the earth and did not put it out to usury.

The only reason I have risen is that I hope the parliamentary assistant will throw some light on the matter, and I am not going to declare myself until I know what the government is going to do.

Mr. Knowles: Could not the hon. member quote Scripture a little more accurately?

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I am going to accept the valuable advice of the hon. member for Fort William (Mr. McIvor) and avoid any quotations from the good book, as he has just suggested. I am very happy to have the opportunity to speak for a few minutes in support of the bill to amend the interest rate which has been introduced by the hon. member for Assiniboia (Mr. Argue). I feel he has rendered a service to the house and to the people of Canada by bringing this matter forward. As far as I am able to determine, the time is long overdue for a thorough review of the situation to be undertaken by the House of Commons.

As I understand it, the Interest Act is an act that covers in general terms the whole field of the charging of interest upon money that is lent in Canada. The hon. member proposes to amend section 2 of the act by providing for a maximum rate of interest of 12 per cent. That section now reads:

> Except as otherwise provided by this or by the other act of the Parliament of Canada, any person may stipulate for, allow and exact, on any contract or agreement whatsoever, any rate of interest or discount that is agreed upon.

I believe that provision has been on the statute books for a considerable period of time without any change. I do not know exactly when the Interest Act was first placed on the statute books of Canada, but I understand that no amendment to the act has been made since the year 1907. On various occasions the parliament of Canada has recognized that it is necessary to place curbs upon the unlimited nature of the provisions of section 2 of the Interest Act and has passed certain special acts which limit particular situations as far as the charging of interest is concerned. We have the Small Loans Act, the Money-Lenders Act and the Pawnbrokers Act.

I think that hon. members should be cognizant of the fact that our predecessors have recognized from time to time the necessity of placing restrictions upon the freedom of individuals to lend money at any rate of interest they may be able to obtain. I also think it should be clear from the review of the current situation made by the hon. member for Assiniboia that since the time when such acts as the Money-Lenders Act and the Pawnbrokers Act were placed upon our statute books there have been some very great and drastic changes in the methods of lending money to Canadian citizens. Because of the fact that over a period of time there have come into existence various new institutions or various new methods for lending, such as the credit systems operated by some of our retail chains today, I think the time has now come when it would be advisable to include within this general act an over-all limitation upon any form of money lending which may be undertaken in Canada either as between individuals or through various incorporated money lending agencies so that, as the years go by, those who are concerned in this business will have no loophole through which to devise various other methods within the law of lending money at excessive rates of interest. That is why I feel that the amendment to this act which is being proposed by the hon. member for Assiniboia (Mr. Argue) is so greatly to the point.

Some of the hon. members who have spoken have pointed out that over a large field of successful lending operations in this country today interest rates either at 12 per cent or less are enabling money lending businesses to operate with great success, to say the least. While at the time when this act was put on the statute books it might have been a valid argument that if restrictive clauses were attached to this section the field of credit would be unduly limited to those who might have real need of it, nevertheless I think it is fair to say that such is not the situation that exists today. As the hon. member for Burnaby-Coquitlam (Mr. Regier) pointed out, we are today completely surrounded by various agencies that are only too

anxious to make deals that involve the lending of money at interest. As a further instance of that fact, I think it would be worth while at this stage to point out that since the present provisions of this act were established there have arisen in Canada many other fields of lending activity including the whole activity of the credit union movement across this country. That is a movement which has operated successfully within the restriction of the maximum interest rate of 12 per cent. That is a movement which is now sufficiently national in scope to enable all Canadian citizens in need of credit—even if some of these other lending agencies were not in operation—the opportunity to secure credit when they need it.

Apparently the national statistics on credit unions compiled centrally are not particularly up to date; but even in the year 1953 the credit union movement in Canada is reported to have had total assets of $492,384,000 and to have made loans in that year totalling $204,863,000. That fact in itself—to me at least—is an indication of the scope of the present day credit union movement and of the facilities which it has available for making loans to the citizens of Canada. Since their inception and up until the end of 1953, the credit unions across Canada had made loans in a total amount of $1,179,733,000, and they have been growing since 1953. Last year in the evidence given before the banking and commerce committee on the bill to which the hon. member for Vancouver South (Mr. Philpott) was referring a few minutes ago, it was indicated that between the years 1954 and 1952 the credit union assets in British Columbia had increased by more than 50 per cent. As I say, while apparently the latest statistics available on a national basis are for 1953, I think it is safe to say that in other parts of Canada the credit union movement has been growing at a comparable rate and that the figures I have just been quoting, if given for the year ending December 31, 1955, would show a material increase over those of 1953.

I have gone to some pains and have spoken at some little length to point out the picture of the credit unions with respect to the offering of credit facilities in Canada. I have done so merely to indicate that, as far as I can see, it certainly would not be valid to argue that any Canadian citizen would be denied an adequate measure of needed credit if the amendment to section 2 of the Interest Act that is proposed by the hon. member for Assiniboia is passed by this house.

As to the situation of the credit unions, I feel that I should mention the fact that in many parts of Canada today the credit unions are in effect operating as institutions which employ staff on a full time basis and that they have what one might consider to be the normal operating expenses of other lending institutions. Those of us who have had some experience in seeing credit unions start as small organizations know that a good deal of volunteer work has been carried on by the members themselves, and is still being carried on within those organizations, particularly in the smaller places. But in Canada today there are a great many credit unions which have reached the stage where their operations are of such a size that it has become necessary for them to employ a trained staff to carry on their business just as do many of the private commercial organizations. Some of these were mentioned in connection with our fishermen's credit union in the evidence before the banking and commerce committee last year. The largest of those fishermen's credit unions in British Columbia—I refer to the Prince Rupert fisermen's credit union—at that time had assets of $1,750,000 and was making loans on a scale which certainly could not be handled on a volunteer basis. I mention that matter in case somebody might try to suggest that it is not fair to put forward the fact that credit unions can operate quite successfully within a maximum rate of 12 per cent because of the fact that they are carried on by voluntary work on the part of the members.

Without attempting to repeat the arguments that have been advanced by some of the other hon. members who have spoken, and having simply attempted to emphasize one or two of the points which have not been expanded by them, I feel that I can in all conscience urge upon the house the acceptance of the amendment that has been proposed to the Interest Act by the present bill.

Mr. Claude Ellis (Regina City): There are just one or two comments I should like to make on this bill. I feel that as a parliament we have a duty and a responsibility to our people. The very high cost of living in this country is the concern of all thoughtful Canadians. I suggest that by the passage of this bill we would be making at least a slight contribution towards a reduction in the cost of living. We would be, in effect, increasing to at least a slight degree the purchasing power of the low income groups in Canada.

There are many factors contributing to the high cost of living today. There are such things as the excessive corporation profits, taxation at all levels of government, the effect of the tariff structure on the cost of goods purchased, and of course the excessive debt

charges carried by the people of Canada have a very important part in the high cost of living. Now, anything we can do to lighten the load, we should do. A few moments ago the hon. member for Fort William (Mr. McIvor) suggested that the parliamentary assistant ought to be thinking about doing something towards reducing the interest rate. But just thinking about it or turning to the government and asking them to take something under consideration is not good enough. Here, we have a specific piece of legislation which will have the effect of benefitting the low income groups in Canada. If the government is at all concerned about helping the low income group, they will support the bill now before the house.

Mr. Benidickson: You have not read the speech from the throne.

Mr. Ellis: We were hoping the parliamentary assistant would take part in this debate and give us some indication of what the government had in mind. However, from past experience with government legislation we know that there is always a great fanfare about legislation that is coming. Then, when the legislation is introduced, we find that in very few instances does it measure up to what it was cracked up to be. For example, at the time the National Housing Act was introduced, we heard a lot of glowing things about the legislation the government was proposing. Since that time we have had ample evidence that the act has not fulfilled the purpose for which it was introduced. We are now told the government is going to introduce some legislation dealing with interest rates. Therefore, we should keep this issue in mind and face up to the fact this bill has the effect of getting to the root of the problem.

This bill is quite clear-cut. It is quite specific. There is no shilly-shallying around, no ifs or buts. It is quite definite, and that is what we regard as the hallmark of a good piece of legislation.

Now, whatever the legislation the government proposes might be, I think that we in this group are going to make it abundantly clear we want some legislation with teeth in it. We want some legislation which is going to do the job we feel must be done at the present time. I repeat that I consider this bill to be at least one step we could take now to ease the burden of our hard-pressed low income groups in Canada. The hon. member for Fort William stated that in his opinion people should not buy goods unless they could pay cash. I wonder how long business would operate in Canada if all businesses adopted the same point of view. Borrowing is an essential part of our whole business structure. It is very easy for a person with a sizeable income to talk about paying cash, but let us face the fact that if we expect the average Canadian to enjoy some of the amenities of life, if we feel the average housewife ought to have an electric washing machine and some of these other necessary household appliances, then the only way a great many families can buy those things is through borrowing. No amount of lecturing on the part of government supporters is going to change that fact.

Naturally, everyone would prefer to buy for cash. It is the cheapest way to buy. We have all had the experience of going into a store to buy an article priced at say $189. When we announce that we are prepared to pay cash, we usually get a better price. It is, therefore, to everyone's advantage to pay cash. It is all very well for a person with a good income to lecture the poor on the virtues of paying cash, but it is a different matter for a family that is paying exorbitant rents and trying to get the necessities of life to go into the market and pay cash. Unless the government takes it for granted that these people should not have washing machines and these appliances which we have come to regard as household necessities, then I think we ought to be prepared to do something to lighten the load of those who are forced to borrow money to buy these goods.

I believe that from the standpoint of pure economics it is quite obvious that if a person must buy on time or borrow money in order to purchase goods, his purchasing power is reduced considerably. When you multiply the instalment purchases on the part of a great many Canadians from one end of Canada to the other, then you begin to realize the extent to which the purchasing power of the people of Canada is reduced by excessive interest rates. Of course, the effect on business and industry is quite obvious. The less money the individual has to spend on the purchase of consumer goods, the less goods will be purchased. I am suggesting that the passage of this bill bringing about a reduction of interest rates generally will place in the hands of the people more purchasing power, and obviously this additional purchasing power will be used. After all, a family on a low income must spend every penny of that income in order to make ends meet. This money will be spent on consumer goods, and the additional purchases of consumer goods would materially assist the employment picture in this Canada of ours.

When we view this legislation, we must look at it from a broad point of view. Here is a specific example of how we might do something concrete to help the average man.

There are many other ways in which we could help. I mentioned some of the factors contributing to the high cost of living, the tariff structure, the question of corporation profits, taxes and so forth. We must advance in all fields. Looking at this bill now before the house, I suggest it affords every member in this house a definite opportunity of doing something for the people who need help most.

In discussing a bill similar to this the other day which dealt with a reduction in interest rates from 24 per cent to 12 per cent, I referred to the extent to which the people of this country are presently in debt. I placed on the record some figures indicating that there was very little risk involved by the loan companies in lending money. Certainly there is no excuse whatever today for this government permitting loan companies to charge the excessive rates presently being charged because the risk does not warrant them. Certainly, no one is going to suggest that Household Finance, for example, is doing people a favour by lending them money, when they spend nearly $500,000 a year in trying to persuade people to come in and borrow money. One cannot turn on the radio today without hearing some voice saying: "You are welcome at Niagara", or "Come in and borrow money from the friendly finance company". They are spending huge sums of money in order to persuade people to borrow money. They are not doing that as a public service; they are doing that because they know that the lending of money in Canada is one of the most profitable businesses in the country. Apparently the government is prepared to allow them to go on gouging the people of Canada through excessive interest charges.

I am quite willing to admit that many people are not cognizant of the tremendous interest rates they are paying. I believe the hon. member for Rosthern (Mr. Tucker), in a previous debate, referred to the fact that the Canadian Bank of Commerce small loans department found it difficult to compete in some instances with some of the finance companies simply because a great many people were not aware of the disparity in the interest rates because the Canadian Bank of Commerce did not go out into the advertising field and spend a small fortune and charge it, of course, to the fellow who borrows the money. The advertising of the interest rates that he pays is deducted from the income tax of the lending company. Remember, every finance company that is advertising and trying to get people to go into debt is being subsidized by this government in the form of income tax deductions.

No one can rightly say that a great service is being done and that any reduction in the interest rates will drive those people out of the field, or will make credit more difficult to obtain. Remember this, the majority of families in Canada are not in a position to go out and buy a great many of the consumer goods needed in the modern home. The only way in which they can buy those goods is by borrowing money or buying on the instalment plan. You cannot tell me that any level-headed businessman can consider the disappearance of those loan sharks in terms of loss of business. In other words, if he cannot sell his goods he has to go out of business. The lowering of the interest rate certainly is not going to have any effect on the sale of goods through instalment buying, because goods have to be sold and the only way in which they can be sold is by selling them on time.

As I look at this problem from the broad economic point of view, I say we must consider this bill in the light of the effect it will have on the lot of the average family in Canada today. I would venture to suggest that the average low-income family today is in debt, either to a finance company, a department store or a mail order house, and the interest rates which they are paying have the effect of cutting down their purchasing power and thus reducing their standard of living. Therefore, if we are anxious at all to help the low wage-earning groups in this country, then I suggest a positive way in showing our concern is to pass the bill in its present form.

I suggest that the parliamentary assistant should inform the house now as to the nature of the legislation to be brought down. Is he suggesting that it is the same as this bill? What would be the point of staying out of the debate and suggesting this debate is unnecessary unless the government proposes to bring in almost identical legislation? The Minister of Finance (Mr. Harris) laughs at that. Suppose a private member brings in a bill on a certain subject and a government spokesman rises in his place and says, "We want to debate it, but since the government is bringing in certain legislation along those lines we feel this debate is superfluous": the only validity in that argument is that the government legislation is nearly parallel to the legislation contained in the bill brought in by the private member.

Mr. Harris: Such logic.

Mr. Ellis: My hon. friend may disagree but I suggest he has an opportunity to refute that position and to put forth his point of view.

The government has remained strangely silent in respect of putting forth some concrete reasons why this bill should not be passed in its present form. Here is a definite test of the government's concern or sincerity over the question of excessive interest rates in this country. If they believe in doing something to relieve the heavy burden imposed by those rates on the wage earners of this country they will pass the bill in its present form.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, the arguments which have been set forth by the previous speakers, particularly those from the C.C.F. group, have struck a responsive cord in my being. I agree with them completely that there is a most serious need for some facility whereby the ordinary individual who meets with misfortune can secure himself against a debt which could utterly ruin him throughout the remainder of his life.

Suppose a person, just an ordinary man, working, we will say, for $2,000 a year, has a mishap, for instance the occurrence of a serious case of cancer in his home. He does everything that he possibly can to give his wife, we will say, a chance to recover from the disease. He takes her wherever it seems advisable to take her; he probably takes her to the Mayo clinic and in so doing destroys his financial stability for the remainder of his life, if his wage-earning capacity does not in some way increase. Now, surely any ordinary person realizes it should not be necessary for a man who is placed in circumstances such as these to become the victim of loan sharks .

Take the case of death. No one can possibly escape the consequences of a death in the family. By the time one recovers from the expenses of a funeral, usually they run into the neighbourhood of $500. Let a person borrow $500 at an interest rate amounting to 24 per cent a year; let him be supporting a family which requires all the money he is able to earn, and then let us contemplate the dismal prospects which he faces in life. Then think about that case in terms of the development of communism in the world.

A great many of us are altogether too much inclined to forget that we have been more or less fortunate in life, and it is fortunate. The very best off of us are well-off because of good fortune. The very best that any man can do can fail to win competence in the economic and financial world, without what we call the breaks. What facility have we anywhere in our whole financial and economic structure for providing a person, stricken with a mischance, the like of that which I have indicated, with the means whereby he can go through this experience and emerge with some possible hope of recouping himself, getting on his feet?

I am not prepared to say, Mr. Speaker, that the way of providing for most of the mishaps which I have indicated is through the small-loan company. I sympathize with the points set forth by my hon. friends, but I am not sure that the small-loan companies would be the agencies through which we should endeavour, as an enlightened people in Canada, to provide against the hardships I have indicated and many others which hon. members can think of immediately. I am wondering whether or not we should pass some legislation similar to the Farm Improvement Loans Act or some other of the various acts which we now have such as the Industrial Development Bank Act? I wonder if we could devise some means whereby an agency more or less analogous to those which I have mentioned could be set up from which people who fall upon evil days financially could obtain loans which would enable them to recover economically and financially.

It has been suggested to me by some people that in setting out to solve this problem we could have arrangements with the chartered banks under which the federal government would finance, support or guarantee them in making loans up to a certain amount and under certain conditions, in order that people who are stricken by misfortune would be able to obtain sufficient money to tide them over the period of emergency. It was suggested that an interest rate not exceeding 5 per cent be charged on such loans. I simply throw out that suggestion for your consideration. I have not had sufficient time adequately to think this suggestion through. However, I believe that every hon. member will agree with me that there has long been a need in this country for a facility of this kind. The need is urgent; it is right upon us at the present time.

I well remember when my father died leaving a widow and a family of 13 children on a farm with a 20 year old boy as the oldest breadwinner. The cost of my father's funeral almost sank the family financially. I do not know what would have happened had my father not left a certain amount of assets which could be liquidated. By the time the funeral expenses were taken care of and the succession duties were paid we were very nearly reduced to scratching on gravel. No family should have to face financial difficulties of that kind. No member of any family should have to make the kind of sacrifice which was made by one of the members of my father's family in order that the family could economically survive. I just leave this matter with the house and with the government. I urge that those who have charge

of the financial affairs of our country do not disregard this need. Please do not shrug it off. I urge you to take cognizance of it and to put your best efforts into finding a solution which will actually provide relief for hundreds of thousands of Canadians.

Mr. R. R. Knight (Saskatoon): I had not expected to say anything in this debate but I am brought to my feet at this time to express surprise at the fact that my hon. friends on the government side do not have more sympathy for the victims of these money lenders whom we have heard referred to today by almost all the names that are parliamentary. Is there no member on the government side bold enough to oppose this bill? We are accustomed to seeing the hon. members on the government side not being bold enough to support bills brought in by the opposition side.

An hon. Member: We have a good government.

Mr. Knight: That is the reason I rise to register my surprise at the silent treatment being given this bill by hon. members opposite. What about my legal friends on the government side of the house? What about the hon. members of the legal profession? Is it forsooth because in some cases they are members of this nefarious system of money lending?

Some hon. Members: Order.

Mr. Knight: Is it true that some of them are merely collection agents for these people? Is that why we have not heard one word in opposition to the bill.

My friend the hon. member for Fort William (Mr. McIvor) said that he was not going to say anything about the bill and he rose from his seat and admirably carried out that intention. He said the condition on which he would say anything about the bill would be if he first knew what the government side of the house was going to say or think about it. I particularly expected that the parliamentary assistant to the Minister of Finance (Mr. Harris) would have something to say on this matter. I should like to know what he thinks about it.

Mr. Benidickson: This is private members' day; we are giving you a full chance to express your views.

Mr. Knight: And that is why I am taking my full chance.

Mr. Benidickson: You complained contrariwise the other day.

Mr. Knight: I should like to agree with my hon. friend from Fort William. He said we should pay cash as we go along. I think that is a delightful idea! However, as my hon. friend from Lethbridge has said, life does not always flow in an even stream and a man who is earning $100 or $150 a month and is spending his entire monthly earnings as he receives them for the necessities of life for his family cannot escape the fact that there are vicissitudes in life. The hon. member for Lethbridge (Mr. Blackmore) mentioned just one, death, which is pretty certain, I think, in most cases. There are other events, too, including happy events like weddings when our daughters or sons get married. These occasions involve expenses outside of the ordinary expenditures which we are usually prepared to meet. On the other hand, I do not think the wife of a man who is earning only the bare necessities of life should have to do without many of the things which are enjoyed by the wives of my hon. friends opposite. I am all for the theory advanced by the hon. member for Fort William; it is a wonderful one. I could only wish that it were practical. I do not think the wives of what are called "humble" people—and I do not like that term—should have to do without some of those things which we have come to consider as necessary.

Why do the government members not say something about this bill?

An hon. Member: You said that.

Mr. Knight: It is a strange sort of debate when only a few people in the opposition do the speaking. What is the government's intention concerning this bill? Has the parliamentary assistant to the Minister of Finance nothing to say? What is the reason for this silent treatment? I challenge hon. members opposite. I think they are afraid to speak in this debate. I do not think there is a man on the opposite side—

An hon. Member: Period.

Mr. Knight: —who would dare to rise and oppose this. Naturally we cannot expect them to support anything which comes from this side of the house; they never do. There was a little discussion about that at the meeting of the Liberal association when our two senior cabinet ministers were honoured—and quite rightly so—the other evening: "You must follow the party line". The Minister of Agriculture (Mr. Gardiner) said, if he was correctly reported, that there had been occasions upon which he had differed with the government but that he had suppressed his natural desire to oppose what the government proposed. Of course I presume that to him, as to many of my Liberal friends, the ultimate catastrophe would be the defeat of this government and so, with a majority of

something like 120 members—it is so large I cannot keep track of them—it would never do for three members of the government side, for example, to get up and vote for something which would be good for the wheat farmers of Canada. The government might be defeated. And so the advice goes out: "Follow the party line; follow the whip; do what you are told." I think there is some merit in the accusation—

Mr. Benidickson: You kicked out the member for Moose Jaw-Lake Centre (Mr. Thatcher) when he did not follow your whip.

Mr. Knight: —that this government is becoming more and more a dictatorship. Today it says that bills or resolutions brought forward by anyone except someone who follows the line and who obeys the whip of the government side are not worthy of debate. Let some of my honourable and learned friends on the other side get up and oppose this bill.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, apparently the parliamentary assistant to the Minister of Finance has not his notes organized as yet so I will give him a few minutes longer to prepare.

Mr. Benidickson: This is your bill.

Mr. Nicholson: My reason for rising to support the hon. member for Assiniboia (Mr. Argue) is to stress the fact that he has presented to parliament proposals which should receive the sympathetic consideration of hon. members in all sections of the house. I have before me the latest statistical summary issued by the Bank of Canada which points up some facts in connection with charge accounts, retail dealers instalment credit, finance companies instalment credit and cash personal loans from chartered banks.

I suggest that an analysis of what has happened in Canada during the so-called boom would result in some pretty careful consideration. For example, I find that from December 1951, which is apparently as far back as our records go, charge accounts increased from $420 million to $533 million for September 1955, the last period for which statistics have been compiled. In the case of retail dealers instalment credit the increase was from $126 million in December 1951 to $309 million for last September. The finance companies instalment credit increased from $180 million in December 1951 to $575 million, while the cash personal loans increased from $338 million to $790 million. If you add those together you find there has been an increase from $1,120 million to $2,212 million, an increase of over $1,000 million.

I am sure the parliamentary assistant to the Minister of Finance will agree that this indicates a disturbing trend in a country allegedly as prosperous as is Canada. When these statistics reached me I phoned the Bank of Canada to find if it would be possible to get information as to how those figures compared with consumer credit figures for the period prior to the crash of 1928-29, but I was informed that we were not compiling those statistics in Canada at that time. Therefore we have to rely upon statistics supplied by the United States for that period.

It would appear as though this alarming increase in Canada resembles in many respects the increase in credit buying that prevailed in the United States prior to the crash back in 1928-29. It is not hard to figure why there should be this large increase. I am told that nearly anyone who has a clean shirt can go into almost any used car lot in Canada and drive away a car which will run for some considerable time. I am told also that those who are selling radios, television sets and electric refrigerators do not seem to worry very much about the fact that many of their customers are committed to paying more each month than their salaries will permit. That does not seem to disturb many people who are finding that they have to pay interest rates as high as 50 per cent, as was mentioned a few days ago by the hon. member for Regina City (Mr. Ellis).

It is obvious that the person who cannot pay cash, as was suggested by the hon. member for Fort William (Mr. McIvor), is not going to get out of trouble by paying 50 per cent per annum as interest on the purchase of things which the storekeeper is prepared to sell him. It is bound to get him into trouble eventually.

The latest publication by the Minister of Trade and Commerce (Mr. Howe) dealing with the distribution of non-farm income in Canada should be examined along with the statistical summary of the Bank of Canada. This publication indicates the staggering information that 34 per cent of Canadian families of two or more persons have an income of less than $2,500 a year; over one-third of Canadian families receive less than $2,500, an average of $1,530.

I think it is pretty obvious that if one-third of our families are getting an average income of only $1,530 annually and cars, radios, electric refrigerators and other electrical appliances are so plentiful on the market and are being pushed, if interest rates of as high as 50 per cent are being charged, there is going to be trouble for someone some time.

If you divide the Canadian families in another way and take those getting less than

$2,000 a year you find that there are 23 per cent or almost one-quarter of the families in Canada of two or more persons who are getting less than that figure per year. If you average the incomes of those 23 per cent you find that it comes to $1,190 per year or less than $100 per month.

You are not going to solve the problem of people in this group if you encourage them to buy television sets, radios, electric refrigerators and what have you by extending credit at interest rates of as high as 50 per cent. Therefore I say that the proposal brought forward by the hon. member for Assiniboia should receive the favourable consideration of hon. members in all sections of the house. We should have legislation which will place a ceiling on these interest rates and assist our friends in the lower income brackets who have such a small average income but who, according to the Bank of Canada, have extended their credit commitments by over $1,000 million since we first started compiling these statistics back in 1951.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I have looked around and it does not appear that any other hon. member wants the floor to speak in this debate.

Mr. Argue: We have more speakers.

Mr. Benidickson: I will yield the floor.

Mr. Argue: No, go ahead.

Mr. Benidickson: Hon. members will realize that a bill in similar terms was introduced rather late in the last session, and at the same time another bill was introduced by the same hon. member to amend the Small Loans Act. There was a debate in connection with the amendment to the Small Loans Act last year. It was indicated by me then that the small loans legislation was receiving the consideration of the government and it was altogether likely that legislation would be introduced at the next session of parliament, which is the present session. It was indicated that the history of parliamentary activity in this field showed that a discussion of interest rates and lending practices generally was usually advanced and aided considerably by having public representations through the operation of a parliamentary committee.

I cannot make much reference to the debate last week on the small loans bill because of the rules of the house, but I indicated at that time that government legislation regarding the small loans field would be introduced within a short period, and that that legislation would be referred to a suitable parliamentary committee. I am able to say more than that today. The legislation will be introduced in a day or two and we will have the benefit of a parliamentary discussion in a parliamentary committee. I am sure that as a result of that discussion there is bound to be a consideration of the Small Loans Act and of the general situation respecting lending and interest rates. It seems to me there is a much wider opportunity to discuss problems of this kind when the discussion is brought about by reason of the introduction of government legislation.

I pointed out in connection with the other bill that there were a number of other items standing in the names of private members which, under our rules, receive attention in the early days of the session but might not receive the same opportunity for debate later in the session and that, as hon. members know, there are not similar restrictions to the discussion if we are considering a debate that comes under the heading of government orders. Legislation with respect to the Small Loans Act will be introduced under the heading of government orders.

Mr. Green: May I ask the hon. member a question? Is that bill to be introduced in the house or in the Senate?

Mr. Benidickson: I am not able to say as to that, Mr. Speaker. I believe it has just received consideration by the cabinet today in final draft form. That would be a matter on which the cabinet would make the decision, and I would think that decision would be made almost immediately.

I do not propose to deal with the merits of the particular bill before us because, as I say, there will be another and a better opportunity to do so later in the session. However, hon. members have asked why one would not readily accept a bill of this kind. I think I can give a very good illustration from a debate concerning the Small Loans Act, to which I can refer because it is the debate that took place last year. The sponsor of this particular bill introduced an amendment to the Small Loans Act last year, and at the same time I gave him the assurance that we would likely be considering legislation in this field this year I pointed out to him that I did not think his bill of last year was in a form that would satisfy even him.

I pointed out at that time that he was simply amending one section of the Small Loans Act, and that the effect of his measure neglected the licensing and regulation of small loans in a very wide area. The effect would be that the regulating and licensing provisions elsewhere provided for in the act would simply apply then to only such loans as were made at interest rates between ·95

of one per cent and one per cent, which as hon. members can recognize is a very narrow range.

So far as the bill we are discussing today is concerned, I do not want to delay the house because I know there are other items under public bills and orders of quite a worthy nature in which private members are interested, and doubtless they want to proceed with them. As I say, there will be another opportunity to discuss this matter. I think some hon. members—including, I believe, the sponsor of the bill—referred to the desire that there should be no charges—I believe that was the word he used—in connection with loans that would involve costs exceeding 12 per cent. I point out to him that in its present form the amendment he has introduced would not ensure that a lender would not be able to make an agreement with a borrower under which the borrower would be obliged to pay, shall we say the insurance premium cost, the cost of drawing up a chattel mortgage, legal fees and various things of that kind which, if taken into account, would be a rather expensive item so far as the borrowing of that money was concerned.

In the Small Loans Act there is a section stipulating that the charges to the borrower must be all-inclusive of not only interest but any other incidental charge related to the borrowing of the money. The hon. member would not accomplish purposes of the kind described in debate by the bill he has introduced today. Therefore when hon. members see the government legislation that is to be introduced almost immediately I think they will realize that the opportunity for a wide discussion of the Small Loans Act will be most beneficial to members of the house before they make up their minds on the question of lending and interest rates generally, particularly when they can see how easy it is to pass legislation such as this that does not take care of costs of all kinds relating to a loan.

Having said that, Mr. Speaker, and without discussing in detail the points raised by a number of hon. members, because an opportunity to do that will come at another time this session, I should like to move that the house do now proceed to the next order of business so as to provide other private members an opportunity to debate other measures under public bills and orders, because this is the last debating day provided for the discussion of public orders.

The house divided on the motion (Mr. Benidickson) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Bruneau
Buchanan
Byrne
Campney
Cardin
Caron
Carrick
Carter
Cavers
Crestohl
Decore
Demers
Deschatelets
Deslieres
Dickey
Eudes
Eyre
Fairey
Follwell
Forgie
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Hanna
Hardie
Harris
Harrison
Hellyer
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McDonald
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Menard
Meunier
Michaud
Monette
Murphy (Westmorland)
Nixon
Philpott
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)—131.

Income Tax Act

NAYS

Messrs:

Aitken, Miss	Lennard
Argue	Macdonnell
Barnett	MacInnis
Bell	MacLean
Bennett, Miss	McBain
Blackmore	McCullough (Moose Mountain)
Blair	McGregor
Brooks	Michener
Bryce	Mitchell (London)
Bryson	Monteith
Campbell	Montgomery
Cardiff	Murphy (Lambton West)
Castleden	Nicholson
Charlton	Pallett
Churchill	Patterson
Coldwell	Pearkes
Diefenbaker	Quelch
Drew	Rea
Ellis	Regier
Fairclough, Mrs.	Robinson (Bruce)
Fleming	Rowe
Fraser (Peterborough)	Small
Fulton	Smith (Battle River-Camrose)
Green	Stanton
Hahn	Starr
Hamilton (Notre Dame de Grace)	Stewart (Winnipeg North)
Hansell	Thatcher
Harkness	Thomas
Herridge	Trainor
Hodgson	Tustin
Holowach	White (Hastings-Frontenac)
Howe (Wellington-Huron)	White (Middlesex East)
Johnson (Kindersley)	Wylie
Johnston (Bow River)	Yuill
Jones	Zaplitny—72.
Knight	
Knowles	

INCOME TAX ACT

AMENDMENT RESPECTING COMMUNICATION OF INFORMATION

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 9 to amend the Income Tax Act (communication of information).

He said: In presenting this bill, Mr. Speaker, I am conscious of the fact that it is contrary to government policy as it obtains at the present time. I hope no member on the government side will be afraid to stand by government policy, in view of the news in the press this afternoon as to what sometimes happens to a member as the result of taking such a position. At any rate, we are all enjoying the publicity which the hon. member for Rosthern (Mr. Tucker) is achieving, and we are glad to know the shot was not fired at him personally but only at his appearance on television.

Someone is reminding me that there are two Tuckers anyway, so we are very glad one of them is still with us.

Mr. Tucker: If I did not have nine lives the C.C.F. would have got me long ago.

Mr. Argue: We have got you eight times so far.

[Mr. Benidickson.]

Mr. Knowles: The purpose of Bill No. 9 is to amend section 133 of the Income Tax Act. The proposed amendment is not new to this house. Indeed, I have presented a bill in similar terms on several occasions in recent years. Section 133 of the Income Tax Act provides for ironclad secrecy with respect to information obtained through income tax returns. It is our contention that although such secrecy is proper with respect to the income tax returns of individuals, the iron curtain should be lifted so far as corporation income tax returns are concerned.

It is not my purpose, Mr. Speaker, to speak at any length to this bill, for the reason that all the arguments have been advanced a number of times across the years. We feel that corporations are matters of public concern. The business they do affects the economy of the nation. The income taxes they pay either increase the income of the federal treasury, thereby reducing the amount that others have to pay, or their income taxes are reduced, leaving a deficit to be made up by others, notably by individual income taxpayers. Therefore we feel that corporation income tax matters are of public concern, and that it should not be possible for everything in relation to corporation income tax to be carried on behind a wall of secrecy.

I do not suggest in this bill that every corporation income tax return should be printed and made public. Apart from other reasons for not advocating such a proposal, it would involve a tremendous amount of printing that certainly would not be useful or necessary. But we do feel that, particularly where members of parliament believe that information contained in certain corporation income tax returns should be made available, it should be possible for a minister of the crown to give that information. Hence, all this bill does is add to the secrecy provision which is now set out in section 133 this proviso:

> Provided that nothing in this section shall operate to prevent a minister of the crown from communicating to the Senate or to the House of Commons any information with respect to corporations obtained under the provisions of this act.

I emphasize again the fact that the proviso which my bill would add to section 133 does not alter the secrecy that now obtains with respect to individual income tax returns.

There are those who have offered as an argument against my bill the suggestion that most corporation income matters are already made public through the annual reports and financial statements which are published by all corporations. I recognize that fact, Mr. Speaker. That is one of the reasons why I do not think we should go to the extent of requiring all of this material to be published

again. But what is not made public, either in the annual financial statements of the corporations or in any other way, is what goes on in arrangements that take place between corporations and the income tax branch.

All of us know, Mr. Speaker, that an individual income tax return, particularly in the case of a great number of Canadian individuals, is a relatively simple matter. The average taxpayer may not call it a simple matter the night he is making out his income tax form, but it is relatively simple. He discovers, for example, that there are not very many deductions he can make. The average taxpayer is limited, so far as deductions are concerned, to contributions he may make to an approved pension plan and to his trade union dues, together with charitable donations and medical expenses. Both those latter items are limited, as set out in the act. I shall not go into the details now.

Beyond those deductions, of course, there are the statutory deductions of $1,000 for a single person and $2,000 for a married person, and a deduction for each child. There are no other deductions that the ordinary taxpayer, filling out the simple form, is permitted to make. As a result there is not much leeway; there is not much question as to what the average individual's amount of income tax will be. It is a very simple matter to work out. But when you come to corporations, the list of items that can be regarded as deductible is very long. In addition, there are the questions of depreciation and all the other kinds of allowances that are provided so far as corporations are concerned.

Obviously, in the very nature of things, when you have so many different factors in the picture as you have with respect to the computing of corporation income tax, there can be a good deal of leeway, a good deal of dispute as to what amounts should be allowed. We all know that these things make a great deal of work for accountants and lawyers, both on the side of the corporations and on the side of the income tax branch.

We have no way of knowing, Mr. Speaker, to what extent certain kinds of expenses are allowed. There is this whole question of advertising. To what extent does one firm get the advertising it claims allowed as deductible before it pays income tax, as compared with the extent accorded to another firm? When is advertising really advertising? When is it political propaganda, or propaganda on the part of an employer against a trade union with which it has a dispute? These are the kinds of things that are involved in arriving at the amount of income tax to be paid by a corporation.

We feel that one corporation as against another should have the right to know what yardstick is being applied, what rules are being used, so there might be fairness as amongst various corporations and so they might know that there is fairness. In addition, we feel the public has a right to know to what extent all of us are really paying for some of the things for which corporations take the credit.

For example, to what extent are we, out of the public treasury, paying for all the advertising with which we are being flooded at the present time? I will not break the rule and refer to the debate that took place earlier today, but I can remind hon. members again that finance companies and loan companies, as well as many other companies, are flooding us, through the press and by radio and television, with a tremendous amount of advertising. We are conscious of the fact that the consumers pay for that advertising in the price of the product, but it is also true that a portion of that advertising is paid for out of the public treasury to the extent that such advertising is allowed as a deductible expense to those corporations. I think that is a matter of public interest and of public concern. I think we should be able to get information as to how much this company or the other was allowed as a deduction for its advertising expenses. That is a type of question that we could get answered if it was not for the ironclad secrecy which is provided in section 133 as it now stands.

I have referred in passing to disputes that take place from time to time between employers and employees. Frequently in such disputes the management will indulge in full page newspaper advertisements stating its side of the case as against that of the union; but when I have asked in the House of Commons as to whether the cost of that advertising was allowed as a deductible expense—in other words, was it being paid for out of the public treasury—I was told that this information could not be given because of the secrecy provision.

So one might go down the list. There are these full page advertisements which the chartered banks publish in the newspapers at the end of the year. I think it would have to be admitted that frequently they are largely political documents. They express views on matters of political concern. Sometimes we in this movement are favoured by being the object of that advertising; sometimes it is pro-government as against the official opposition. To the extent that this sort of thing is political in nature, is it not a fair question to ask if it is being paid for at least in part out of the public treasury by means of an allowance against taxable income before taxes are paid?

The whole question of political advertising could be raised more directly. Are there instances where firms are in effect making contributions to political causes, but doing so indirectly by paying for advertising or by charging up some other kind of expense and receiving a deduction for it? There certainly have been suggestions in the past that this kind of thing goes on. The government of course denies—and I would expect the government to deny it—that there is any recognition by the income tax branch of contributions to political parties as such. But do we not have the right to know whether income tax deductibility is being allowed for some other kinds of expenses which might appear to some of us as being in effect contributions in support of a particular political cause.

The question of brewery and distillery advertising, and indeed the whole question of the brewery and distillery business could be raised. To what extent are their expenses allowed or disallowed for income tax purposes? I repeat, Mr. Speaker, that all of this raises questions as to the treatment of one firm as against another, and it also raises the question as to whether or not the public interest is being fully protected.

I have no doubt as to the zeal of the income tax branch in its determination to collect from every possible source all the revenue the law says must be collected. I would point out, however, that parliament has a place in activities of this kind, and I do not think we should be asked simply to take it on the word of the department that this is being done.

A great many matters have been raised in discussion in the last week or two and there has been some difficulty obtaining information concerning these matters which we feel parliament has the right to know about. I feel the same thing applies in this important field.

I said a moment ago that when an individual files his income tax return he discovers it does not take too long to fill out his form because there are only two or three things he can claim by way of deduction, but if you are in business or if the case is that of a corporation it is a somewhat different story. I am always interested in these voluminous books which are published as a guide to completing income tax returns. I have one such book in my hand at this moment consisting of 118 pages and entitled "Your Income Tax". This is a booklet that tells individuals and corporations how to make out their returns to their best advantage, and of course it is full of suggestions as to what one can do to achieve that end. In addition to that I have in my hand another tiny document called "Canadian Pocketax" which purports to be an authoritative guide on income tax, gift tax, succession duties, etc.

If one turns to pages 20 to 24 of this little booklet one will find a long list under the heading "Deductible Items". In fact I have counted the number of main headings in this list and I find there are 46 of them, not including all the little subheadings. I am just going to read some of them: accounting expenses, advertising expenses, automobile expenses for business use, appraisal cost for insurance, bad debts, bank charges, carrying charges, efficiency experts' fees, hire of capital equipment, industrial engineers' fees, insurance premiums, fire, theft and so on. Then there is interest on borrowed money, interest on succession duties, legal expenses. There are a couple of subheadings there, to collect business debts and to defend action under the Combines Investigation Act. I move on to management costs, production control costs, raw material costs, sales promotion expenses, secretarial expenses, taxes on real assets, technical assistance, telephone and so on.

I again make the point, Mr. Speaker, that in view of that list—and I did not exhaust it by any means—it is obvious that there is a great deal of room for dispute, a great deal of leeway, and much room for bargaining, arranging and discussing as to what is the correct amount of tax that a corporation should pay. I feel it would be in the public interest that where it is desired we should be able to get at that information, so we may know what we are in effect paying for out of the public treasury and can therefore know whether or not we are receiving from private corporations all that the public treasury should receive under the income tax law as it stands.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I shall be quite brief in contributing to this debate. We are all fairly familiar with the arguments which the hon. member for Winnipeg North Centre has put forward, because this is not the first time he has spoken on this matter.

Parliament has thought it wise to make these returns confidential. The hon. member who has just spoken approves of that in so far as individuals are concerned, but not in so far as corporations are concerned. That seems to me to be unsound. In fact I think you could almost make an argument that in the case of individuals it is only their personal feelings that are concerned but in the case of corporations, if you force them to disclose all the details of their business you may actually injure them in competition. In speaking of competition I think one should bear in

mind that corporations compete not only with each other but with non-incorporated businesses.

Today a friend of mine gave me a rather astonishing illustration of this. He spoke of a case where a certain corporation for which he had worked showed a profit of $2,500, while a certain unincorporated body for which he worked had a profit of over $1 million. I feel the idea which many people hold that corporations are big and individuals are small leads us too far afield. Consequently I want to back to the basis on which this is proposed to be done.

I was rather struck with the fact that the hon. member said the minister should apparently exercise this discretion, and a difficult discretion it would be, at the instance of a Member of Parliament. Now, I am a Member of Parliament, and I should like to be able to think well of myself and of all of my colleagues. However, he seemed to suggest that if a Member of Parliament wanted to go and obtain information from the minister then that was, as I gathered from him, almost a sanction in itself.

As a matter of fact it seems to me that there is a double, almost a triple, objection to the minister having this discretion. First of all I take it that parliament if it wished could by resolution or otherwise—the hon. member knows more about procedure than I do—get the facts if it wanted to. It could get whatever information it considered desirable. I do not think this discretion should be taken away and given to the minister.

As a matter of fact I think it might be argued that there are two objections almost opposite to each other. If you had this discretion in the minister a very conscientious minister might feel that he had to disclose all cases, whereas another minister might not be so conscientious and be even suspected of allowing bias of various kinds to sway him. I do not believe that the minister should be given any such discretion. I have tried to imagine how such discretion would be exercised, and I find it extremely difficult. My colleague suggests that it would be dangerous as well.

I want to come back to the basis of this. It is not a flimsy basis; it is not technical; it is full of common sense. Under the provisions of our law people are asked to make a full disclosure of their position. As I said a moment ago, I think it would hurt less if individual income tax information were disclosed. At any rate, business comes along and makes a full disclosure of facts which are withheld from competitors. Facts of great importance to the conduct of their business are disclosed to officials of the Department of National Revenue. I feel that the practice which has been followed is sound, that it is based on common sense. I think the reasons for suggesting that it is not well carried out are flimsy, and I feel that this bill should not pass.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to say a few words in support of the position taken by the hon. member for Greenwood and against the position taken by the hon. member for Winnipeg North Centre. Before I do so I think I should make some reference to the opening remarks of the hon. member for Winnipeg North Centre, which were made in all good nature. I am sure we were all glad he made them, because it was an amusing episode about which we all have read with such delight on the front pages of today's newspapers. I think it indicates the affection and respect with which the hon. member for Rosthern is regarded by members in all parties in this house. I think it is worthy to note that he himself laughed most heartily at the joke which we all shared. I sometimes believe it is a great compliment to any speaker, when people cannot find the answer they are seeking, that they must resort to what one might call Manitoba C.C.F. confetti.

Speaking seriously about the bill proposed by the hon. member for Winnipeg North Centre, may I say that personally I am completely opposed to the suggestion he made. None of us in this country likes to pay taxes of any kind, and none of us likes to pay income taxes. I for one do not believe that an individual or corporation should be subjected to any kind of political inquisition as a by-product of having to make a return to the Department of National Revenue.

I think perhaps that is the thing which divides me from my hon. friends immediately opposite, more than any other point. I agree with almost everything for which they stand in the way of social welfare, although I sometimes feel a bit sorry for them because the Liberal party has so completely supplied all the welfare measures which my hon. friends have stood for that it is almost like a man who has lost the upper part of his bathing suit being threatened with the loss of the lower part as well.

I believe there is danger in the suggestion made by the hon. member for Winnipeg North Centre. Corporations are compelled by the law of the land to file returns in great detail with the Department of National Revenue. There are many of us who over the years have found out how extremely efficient that department is in checking even

he amount spent on travelling, say from Vancouver to New Westminster. I think we will all agree that the Department of National Revenue is not allowing anything to slip in the way of collecting taxes due to his country.

As to the suggestion that these income tax returns should be made a sort of mine or bonus for members of parliament from which they could obtain information against corporations which in the ordinary course of events they could not get, may I say that I for one am completely opposed to it. I am opposed to it because I think it is wrong, and I am opposed to it even more on the ground that I am a member of parliament trying to do my duty to my constituents and I have enough to do in connection with immigration and other kinds of cases without wanting to be burdened with the insidious task of having a corporation write to me to try to get secret information on its competitors by using my privileges as a member of parliament.

For that reason, and there are a great many others I could give, I am completely opposed to the bill proposed by the hon. member for Winnipeg North Centre.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise to speak briefly in support of the bill which stands in the name of the hon. member for Winnipeg North Centre. As has been mentioned already, this is not a new subject in this house, and the usual objections have been raised to the adoption of this amendment.

First of all, what is the situation today? If I understood the argument presented by the hon. member for Greenwood it was that this amendment would provide discretion for the Minister of National Revenue which he does not possess today, and would put him in the position of possibly or potentially abusing that discretion.

What is the situation today? We find that when a question is asked or an order for return passed with respect to a corporation the minister is able to brush it off by saying that he cannot give the information because of the provisions of the Income Tax Act which prohibit him from doing so. That places hon. members of this house in the position, not of being up against the discretion of the minister, but of having the minister tell the house that he cannot give the information because he is prohibited from doing so.

On the other hand, if this amendment were to carry it would not give the Minister of National Revenue any more discretion, but it would give discretion to the house as a whole in seeking information and in passing motions for certain returns. It would be the responsibility of all hon. members to decide whether that information should or should not be brought down.

Therefore, unless I misunderstood the hon. member for Greenwood, I fail to see how the passing of the amendment would give the Minister of National Revenue any greater discretion than now exists. It would still be the responsibility of members of the house or a majority of them to decide at any time a motion was made for the bringing down of certain information, whereas at the present time discretion is not in the hands of the members of the house but the matter is controlled by a provision in the act which prohibits the giving out of information.

There are many reasons why this information should be made available. I think the hon. member for Winnipeg North Centre was quite correct when he stated that this change would not lead to anything like what has been envisaged by the hon. member for Vancouver South (Mr. Philpott) when he referred to an inquisition involving every return of every corporation. Perhaps that is a very extreme example, but there come times when certain information should be made available in the public interest.

I can recall that during last year's session of the house I personally sought certain information with respect to certain corporations which had received a remission of taxes, and just at the point when we were beginning to get some information we were told, "That is as far as you can go; the act prohibits the giving out of any further information." Therefore we had to accept the explanation of the government as to what they had done.

Unsatisfactory though it was, that was as far as we could pursue the matter, and it was only our imagination against their word. Therefore occasions do arise when I think it becomes necessary for the house to concern itself with the protection of the public interest. I believe that members of the house as representatives of the public can be trusted to use their good judgment to seek the kind of information necessary for the protection of the public interest, and not to seek information for the purpose of giving any corporation an advantage over another or to seek information purely out of curiosity.

For example, there is the question of deductions. The hon. member who introduced the bill has already given a few examples of what may happen where the deductions in respect of one corporation may be far more lenient than in the case of another. Who is going to judge whether a fair and square deal is being given to all

corporations? We, the public's representatives, who after all represent all the people of Canada including the corporations—

Mr. Trainor: Are you very concerned about them?

Mr. Zaplitny: Yes, I am just as concerned about one corporation as I am about another.

Mr. Trainor: That is a very sudden change.

Mr. Zaplitny: I want to see a fair deal given to all. At the present time, however, we are not in a position to find out on what basis these deductions are being given. There may be a particular need for such information in a case where the government itself becomes involved with a private corporation. That is something that may happen at any time now. For example, the arrangement being made among the federal government, the government of the province of Ontario and Trans-Canada Pipe Lines is something which to a degree combines the operations of a private company with those of a crown company. There is a case where it may become very necessary for the public's representatives, in order to ensure that the public interest is being protected, to know just what is going on with respect to Trans-Canada Pipe Lines Limited to the extent that it is involved in a joint enterprise with a crown corporation. I am sure, however, that unless this provision of the act is changed there will come a time in the house when we will be seeking that information, and we will be told that the act does not permit it to be given.

Then we have the question, touched upon in passing, of deductions by corporations with respect to contributions they make either indirectly or directly for political purposes. It is a very interesting field. I recall that two years ago the former member for Quebec South, who is now a member of the other place, wrote an article which appeared, if I remember correctly, in *MacLean's* Magazine. It was a most interesting article written by a gentleman with wide experience in that particular field, a man who had been responsible for a great deal of the fund raising for the Liberal party, and who was intimately acquainted with the methods and procedures used in keeping the treasury full.

We must remember that the article was written by one who sat as a Liberal member in the house, and therefore he would take a lenient view in writing it with repect to his own party; but even what was disclosed in the article was enough to indicate that there must be a good deal going on behind the scenes about which the public is not allowed to know anything. We know, and the members of the government know, that there are corporations which, by their own admission, make very substantial contributions to the funds required by the Liberal party for election purposes. I am sure they are not going to deny that; if they are I hope they will speak up now. They do not, so that is established.

Mr. Harris: Don't be silly.

Mr. Zaplitny: I am admonished by the Minister of Finance not to be silly. I am glad he spoke up, because if he wishes to deny it right now I will give him the opportunity, and then we will proceed from there.

Mr. Harris: If I told you what I am thinking you would not like it.

Mr. Zaplitny: The minister may say what he pleases, but the point I have made is this.

Mr. Bennett: Oh, go on with your speech.

Mr. Zaplitny: That is exactly what I am doing. The point I have made is that the huge corporations of this country have, by their own admission, made very substantial financial contributions to the Liberal party. I have stated that if any member of the government or the party opposite wishes to deny that statement I will be glad to hear it. Instead of that—

Mr. McCann: What is wrong with it?

Mr. Zaplitny: That puts a different face on it entirely. Now one of them speaks up and says, "What is wrong with it?". It depends on which way you look at it.

Mr. McCann: Yes, exactly.

Mr. Zaplitny: From the point of view of good Liberals there would not be anything wrong with it. As a matter of fact, if it were not for that I imagine the great majority of them would not be here at all.

Mr. Hosking: Who pays your expenses?

Mr. Zaplitny: It helps them to overcome their opponents. Another gentleman from the Liberal ranks speaks up and asks who pays my expenses. I am glad that question was asked, because it so happens that in any election in which I have participated, and there have been six of them, I have never gone outside my supporters in my own constituency to ask for five cents, nor have I ever accepted anything. That is more than the hon. gentleman who asked the question can say, I am sure.

Mr. Deputy Speaker: Order. May I remind the hon. member that we are discussing second reading of Bill No. 9, an act to amend the Income Tax Act.

At six o'clock the house took recess.

Income Tax Act

AFTER RECESS

The house resumed at eight o'clock.

Mr. Zaplitny: Mr. Speaker, when the house rose at six o'clock I had just drawn attention to the fact that many of these large corporations whose income tax details are protected under the present statute do in fact make substantial contributions to the treasury of the Liberal party. At that point the Minister of National Revenue (Mr. McCann) interrupted to ask, "What is wrong with that?" That brings up for consideration an interesting principle, because if the government takes the attitude that there is nothing wrong—

Mr. Carrick: Mr. Speaker, I rise on a point of order. I do not think the Minister of National Revenue asked what was wrong with it. What he said was that it was nonsense.

An hon. Member: You are wrong.

Mr. Zaplitny: If the Minister of National Revenue said "nonsense" it would not be the first time he has said it. But as I heard it, the minister wanted to know what was wrong with corporations making contributions to the Liberal party. If the minister did not say that, of course I shall be glad to withdraw it; but that is my understanding of what he interrupted me to say. That in itself is not entirely the question. The question with which we are faced is this.

Mr. McCann: Speak a little more loudly, please.

Mr. Zaplitny: The question with which we are faced is this. To what extent are the government's actions influenced by such contributions from big business? A great many people in Canada today believe that the federal government is being unduly influenced by big business.

Some hon. Members: Oh, oh.

Mr. Zaplitny: I hear some hon. members across the floor laughing. I imagine they do not agree with me. I have before me some figures which were taken in a recent public opinion poll in which people were asked who, in their opinion, influences the federal government most. Of the 84 per cent of those who had an opinion to express, 37 per cent said "big business". I think that must include a large number of the Canadian people.

But be that as it may, the question with which we are faced is this. Under the present provisions of the statute the Minister of National Revenue, when a request is made for information with respect to the income tax of a particular corporation, may reply as he has replied in the past—and quite properly under the present statute—that he is prohibited by the statute itself from giving that information.

What this amendment would do is this. It would not automatically disclose the details of the returns of all the corporations of Canada, but would simply leave to the members of the house the discretion as to whether that information in any particular case should or should not be disclosed. In other words, it would take way that umbrella provision under which the minister at the present time, without justifying his refusal on the grounds of public interest or for any other reason, may simply state that under the statute he is prohibited from giving the information, and that is the end of that. This amendment is an attempt to place the responsibility as to what information shall be given by the government in the hands of the members of this house, where I think it properly belongs.

As representatives of the public we have a right to know what is going on. We must be in a position to answer to these people upon whom taxes are levied and whose money is being spent out of the public treasury. We must be able to answer questions that are put to us. It is a poor position for a public representative to be in when he is obliged to say to his constituents, the Canadian people, "I am sorry, but I cannot give you this information because it is prohibited by statute". Prohibited by whom? Prohibited by the members of this house, because they are the ones who passed the statute in the first place, and they are the ones who must amend the statute if they are going to change the situation. That is what this amendment seeks to do.

Questions arise from time to time. A while ago I mentioned the disclosures that were made by a former member of this house, in which he stated quite frankly that the party of which he was a member—that is the Liberal party—received substantial contributions from various corporations. Various corporation officials themselves have admitted that they make substantial contributions to the party cause. People have a right to know whether such donations or contributions are deductible as an expense when these corporations file their income tax returns. They want to know whether political advertising, which is an indirect contribution to the party's cause, is deductible as a legitimate expense with respect to their income tax returns. They want to know whether in fact the Department of National Revenue collects all the revenue which is lawfully payable to the treasury by the various corporations.

As representatives of the public the members of this house, in their opinion, have a right to be able to assure the public that this matter is being properly handled, that the laws of this country are being properly carried out, and also that the public treasury is not put in the position of being obliged to subsidize any political party in this country, because that is exactly what happens when a corporation may pay for political advertising, make cash contributions or in any way, directly or indirectly, pay into the coffers of the political party in power and, as a return for so doing, be able to deduct that amount as a legitimate expense in making their income tax returns. As representatives of the public we want to be in the position of being able to check on that kind of activity.

That is the main purpose of this amendment. I want to emphasize again, Mr. Speaker, that far from this amendment giving more discretion to the Minister of National Revenue or to any other minister, it is putting the discretion in the hands of the members of this house, where it belongs.

Within the last few days we have been faced with the situation that the government has been in a position to refuse enough information, or to refuse information often enough, without any statute calling for secrecy but simply on the basis that it is not, in their opinion, in the public interest to disclose such information. For example, even this afternoon the Leader of the Opposition was told that the government could not table a certain export permit having to do with the export of arms, not because it was prohibited by statute but because, in the opinion of the government, it would not be in the public interest. We are not even in a position to find out what is being done by private concerns with respect to arms shipments which affect both domestic and international policy.

Without even having a statutory prohibition, there are enough grounds on which the government finds it possible to refuse information. I see no reason why there should be any extra umbrella of secrecy under which they can continue to refuse information which should be in the hands of this parliament.

Mr. Boisvert: Mr. Speaker—

Mr. Hansell: Mr. Speaker—

Mr. Deputy Speaker: I recognize the hon. member for Nicolet-Yamaska.

Mr. Knowles: You little people are having a lot of trouble.

Mr. Hansell: Mr. Speaker, there happen to be two little men up on their feet. I shall yield to my hon. friend, but I will say that I was up on my feet at six o'clock, thinking that the hon. member for Dauphin was through.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I am glad to take part in this debate for many reasons. The first is that the measure under discussion was introduced by my good friend the hon. member for Winnipeg North Centre. In the second place, I would think that as a matter of parliamentary procedure, he is out of bounds in bringing in legislation such as that which he is trying to present today. Even if the intentions of the hon. member for Winnipeg North Centre are always the best, the words he uses to express his intentions do not always represent God's will. I should say that in the present case what he is aiming at is to destroy the most important piece of legislation in any of the democratic countries in the world. He is doing this by introducing one of those shadowy measures which will cut at the roots of our economic system.

When the hon. member asks us to vote for a measure which will have the effect of disclosing in this house the income tax returns made by corporations, he is asking something that will reduce the Income Tax Act to nothing. I shall try to make my point on that. It is against the procedure in our courts of justice to have these documents produced and examined by judges. This measure is an indirect way of cutting at the root of the Income Tax Act. He is asking us to do one thing for one purpose, and next year he will come and say, "Let us do it again for another purpose." The income tax returns would be open to the public and I think that would be the worst thing that could happen in our country. By their very nature these income tax returns are confidential.

I am sure the hon. member for Winnipeg North Centre would not be pleased to have his tax return published in the newspapers of this country. I am sure he is doing right when he makes his return, and I am sure all the people of Canada make honest returns. But they are confidential documents, and are considered as confidential documents in every country in the world.

Let us examine what May says about it. I am taking the citation from Campion, "Introduction to the Procedure of the House of Commons," at page 195:

> The rule as laid down by May page 433 is "a minister is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he is prepared to lay it upon the table."

If, therefore, a question arose in the house about a return made by a corporation, the minister would be forced to deposit the return

on the table, because he could not talk about it or refer to it without doing so. In this way all returns made by corporations could be produced, deposited on the table of this parliament and be open to public discussion. I should think that would be against public security, in the sense that any corporation is entitled to make a return in the knowledge that it will not be made public.

Let us go further; let us go before the courts of justice. It has been acknowledged by the courts of this country that an income tax return is to be considered a confidential document which should not be disclosed in any trial. This rule has been followed, with one exception, by every court in Canada. What will happen to that rule if we vote for this measure introduced by the hon. member for Winnipeg North Centre? All the returns made by corporations would be tabled in the house and would become public. It would be impossible, therefore, in any trial to keep those returns as privileged documents. They could be introduced in any trial concerning income tax.

In my opinion this legislation is not aimed at the good of Canada, the good of the corporations or the good of the people. In the end it would mean sabotaging the Income Tax Act. If there is one law which has to be protected by this parliament it is the Income Tax Act. I know some people would like to know what there is behind the corporations in this country. It is easy to find out what is behind the big corporations. Their business is well known to everybody. The large corporations advertise the results of their yearly business by publishing reports in our newspapers. Anyone who wants to know these things can find out by looking at the newspapers, and does not need to ask this parliament to make a disclosure of income tax returns.

I do not wish to take much of the time of this house, because it is so precious. However, when I see legislation that is tending toward a system that will bring no good to anyone, I am glad to fight against it. I am of the opinion that this measure is only aimed at the destruction of a system which has built this country, and which is now making this country one of the greatest in the world.

Mr. E. G. Hansell (Macleod): Mr. Speaker, the legislation presented by the hon. member constitutes an amendment to the present Income Tax Act. One should analyse this amendment very carefully. I cannot help thinking that my hon. friend has not given enough thought to its wording. I am rather inclined to think that if the amendment passed it would turn out that he would eventually get something he did not want. The bill does not make it mandatory for the minister to give information when it is asked for. If it were mandatory perhaps this group would have looked upon it with a little more favour than it does. It would still give the minister a perfect right to withhold information if he so desired. The only thing that would happen is that the minister could not be fined $200 if he did give the information, but if he did not want to he would not have to.

I would suggest, Mr. Speaker, that if we examine this amendment more carefully we shall discover that it could be one of the most dangerous pieces of political legislation to have on our statute books. Let me visualize what could happen. I am not saying it would happen. Suppose, for instance, there is a corporation in the province of Saskatchewan in which members of the government have an interest, or some member of the government has an interest. Suppose we take it into the political realm. Let us suppose that a Liberal from Saskatchewan should get wind of something that was unsavoury in connection with that company and should move on the floor of the house for the production of the income tax papers respecting that company. The minister intimates that he is quite willing to give that information and he does so. I would go so far as to say that if there is something unsavoury about it perhaps it should be revealed. Nevertheless this is the picture. He reveals the information and somebody is destroyed. The government of Saskatchewan could conceivably be destroyed.

Let us take another province which we will suppose is a Liberal province. Some member of the opposition gets wind of something that is unsavoury in connection with a corporation, and he moves for the production of the income tax files of this particular corporation. The minister rises in his place and says that he does not think it is in the best interests to reveal the details of that particular case. Of course the house will not get the information then. Therefore I am saying it could be used—I am not saying it would be, because I will not accuse this government of being capable of doing a thing like that—as one of the most dangerous pieces of political legislation we have. I wish the hon. member would give consideration to that. Of course the legislation does not present itself favourably to me or to many of my colleagues. I have not talked it over with all of them.

We are still living under a competitive system. We are still living under a system where we believe that competition is the life of trade. This piece of legislation might be

all right if there were a socialist government sitting to your right, Mr. Speaker, under which every man's business and every corporation's business could be revealed, if there was a corporation left that was not government-owned. But we in this group still believe in the private enterprise system; we still believe in the competitive system, much as may be desired in respect to it. We do not believe we can take the abuses out of it in this way. In fact it might give rise to even more serious and worse abuses. There should be other ways of doing the same thing.

It could reasonably work in this way. If a corporation has given some funds to the party in office—we know there are some who contribute to the party in power, and some contribute to my friends and some to us, but we do not seem to get very much; corporations and people do support all political parties—it could work out in this way. A corporation may say, "We will give you a donation, but when we give it to you it is going to become public knowledge. If it becomes public knowledge we might lose business, and therefore you see that you take care of us." It could work in that way.

I do not see how the proposed amendment to the Income Tax Act will do what the hon. member wants done. Once again I say, let us have it one way or the other. Let us not leave it to the discretion of the minister. Either leave the thing the way it is or else make it mandatory. Personally I do not think I would be in favour of making it mandatory. We have to give governments a certain amount of authority. They have to collect taxes, and we have to give them the authority to collect without letting the whole nation know everybody's business. That is my view of it. I feel quite certain that if our friends were sitting on the other side of the house they would take the very same view.

Therefore, Mr. Speaker, as far as I am concerned I am afraid I shall have to vote against the amendment.

Mr. Roland Michener (St. Paul's): Mr. Speaker, this is a bill to make available to the House of Commons, through the minister, information supplied by corporate taxpayers. In so far as it has been advanced on the basis that it is right and proper, that the House of Commons should be able to call for all information that is necessary or desirable to enable it to discharge its duties, a principle of that kind would commend itself to all members of the house. Parliament can only function if it is able to inform itself. Parliamentary privilege assures that the House of Commons is able to inform itself. If that were the purpose of the bill we might look at it favourably.

The other principle of the bill, as I understand it, is that the house suspects the ministry in the way it administers the income tax laws, and wants to obtain information to demonstrate that its suspicions are well founded. We on this side of the house of course know that the ministry deserves suspicion, and that principle certainly commends itself to everyone on this side, but the proper remedy is to turn out the ministry and get one which is above suspicion, and not to go tinkering with somewhat basic legislation.

Looking at the bill itself and the arguments which have been advanced in its support, we see different reasons for this peculiar little bill which appears to be so virtuous and yet has in it the seeds of so much discrimination and snooping. What is the information in question? The information is that which is supplied by taxpayers, all people who are called upon to pay income tax whether they are individuals or corporations. That is information to which the government would not otherwise have access, which would not be gathered in one place if we did not have income tax laws and taxpayers were not required to divulge their income so the government could ascertain with reasonable accuracy whether or not the taxpayer was paying his full tax.

Let us not forget that this information is forced out of the taxpayer for one purpose, and one purpose alone. It is not there to inform all and sundry, to disclose the business of the corporation or of the individual unrelated to the payment of taxes. It is really private information, and the principle of the act has been to keep it private for the purpose of seeing that the income tax due is paid.

As I listened to the arguments presented by the sponsor of this bill I came to the conclusion that apparently his fear was that improper deductions were being made. In other words his fear was that the income tax officials were allowing corporations to make deductions which they were not entitled to make. He suggested certain advertising expenses as an example. He did not suggest any yardstick by which the propriety of deductions could be measured, but I am sure the officials have a yardstick and when they find a corporation has spent too much in advertising an inquiry is made to see just where the money went and to ascertain whether it is properly deductible from income.

We then came down to what seemed to be the real nub of the matter, and that is whether corporations might be allowed to make political contributions and have them

deducted from taxable income. I do not consider that there is any difference in principle among the hon. members of this house with respect to the deduction of political contributions. They are not properly deductible as income tax exemptions. If corporations make political contributions they make them out of their own funds, at their own expense. That information is open to any member of the house. Any hon. member could rise in the question period and ask the minister whether or not the political contributions made by corporations are allowed as tax deductions by those corporations, but I am satisfied that is not the principle followed in the administration of the act.

Disregarding the principle, we are urged to inquire into specific cases to see whether or not the ministry is properly enforcing the law. As I suggested previously, the remedy for lack of confidence in the ministry is one that is well known under the parliamentary system; in fact, it is the basis of parliamentary government. Those who supported the bill did not ask the ministry this question. They did not ask the principles on which deductions are allowed. They want instead to snoop into the affairs of certain corporations.

This brings me to the other objection I have to this bill, and which I think every fair-minded member will have. I refer to the fact that it singles out one type of entity in a most discriminating manner. That is to say, it singles out the taxpaying corporation from amongst the taxpayers who are required to supply information, and it does this on no sound basis of distinction and with no principle behind it. The discrimination is between those taxpayers who are corporations and those who are individuals. It is not for the purpose of collecting taxes; it is for the purpose of finding out what political contributions have been made. It does not reach all those who might be interested in making political contributions. There are entities other than taxpaying individuals and corporations, who would not be touched at all by this legislation.

I need not enumerate too many of them to show that there is a discrimination in that respect if the purpose of the bill is what the sponsors have indicated it to be. In the first place, on no sound basis of distinction—I will just elaborate on this for a moment—it leaves out a person who is in business, who spends money on advertising and who has just as much right as a corporation to deduct this expense from his taxable income. So there is no real difference in principle, as was suggested by the sponsor of the bill.

[Mr. Michener.]

In fact, all that long list of 46 expenses, with the possible exception of one or two—and I am not sure there are any real exceptions—apply equally to an individual who is carrying on a commercial business as they do to a corporation, because the same expenses are met by an individual in earning a profit and carrying on a business as are met by a corporation, and the individual is properly entitled to deduct all expenses necessarily paid to earn a taxable income. There is a considerable argument in the fact that the individual as well as the corporation is not only subject to inquiry as to the basis of his expenses but there is the first problem which the tax authorities have to determine and that is, what is his income?

There is a good deal of information which may be required to determine that question. What is income may depend on the difficult distinction between what is commonly called a capital gain and what is properly called income or revenue. This distinction which the proposed bill seeks to establish as between an individual and a corporation is entirely without any foundation in reason; therefore I say it is discriminatory. It leaves out the individuals as taxpayers, but it also leaves out individuals who are not taxpayers, non-profit corporations which are not taxpayers, other corporations which are not taxable, certain co-operatives and trade unions which have been alleged to make political contributions, crown corporations, municipal corporations and other bodies who have funds in their possession which they are free to spend and which are not subject to scrutiny under the provisions of this bill.

For the purpose for which it was designed this bill is a discriminatory measure which no one should consider as sound legislation in amendment of the Income Tax Act, which has been devised after very careful study not only by the authorities and the best brains of the administration but by those who are taxpayers, their various organizations and the community at large.

No; the shaft is aimed at the secrets of the taxpaying corporation alone, with a view to prying into how they spend their own money. The C.C.F. party, which professes to be free of discrimination and to treat all equally, hereby discloses its most common political phobia, abuse of those who endeavour to make a profit.

An hon. Member: Hydrophobia.

Mr. Michener: Not individuals, because individuals have votes and so information as to their profits is not to be included. It is only corporations, which have no votes.

I suggest that the need in the case of corporations is less than in the case of those who are left out of this bill, because the laws of all the provinces and of the federal government require every corporation of any size engaged in a public operation to deliver to its shareholders 10 days in advance—14 days in the case of the dominion—of its annual meeting full particulars of its earnings and expenses, with a balance sheet properly audited and certified by reputable auditors. That is not required of most of the other entities and persons who would not be touched by this bill.

The bill itself seems to be unnecessary. I suggest that the present section of the Income Tax Act does not prevent parliament from calling for any of this information by a proper order duly passed with the approval of a majority of this house.

Mr. Knowles: Members of the hon. member's party have tried that quite often.

Mr. Michener: The section reads:

> 133. Every person who, while employed in the service of Her Majesty, has communicated or allowed to be communicated to a person not legally entitled thereto—any information obtained under this act or has allowed any such person to inspect or have access to any written statement furnished under this act is guilty of an offence and liable on summary conviction to a fine not exceeding $200.

Those are the key words, "person not legally entitled thereto". The question is whether the present section could be read as meaning that parliament is a person not legally entitled to the information. If parliament is legally entitled to the information, then there would be no offence under this section and there would be nothing to prevent parliament asking for a particular bit of information on those occasions when a majority of the house thought it proper to call for it in the usual way by an order for return or whatever procedure might be adopted.

The definition of person is well known. The Interpretation Act defines a person as follows:

> (22) "person", or any word or expression descriptive of a person, includes any body corporate and politic, and the heirs, executors, administrators or other legal representatives of such person, according to the law of that part of Canada to which the context extends.

I do not think anyone will argue that the House of Commons is a body corporate or politic under the law of any part of Canada to which the Income Tax Act extends. Furthermore, this section does not prevent the crown from having the information. It is a well known maxim of construction that statutes do not apply to Her Majesty unless so specified. The crown is not "a person not legally entitled" to the information. I am not sure whether a minister is a person; some of them may be, but whether they are legal persons under this act may be doubtful. When you take into account the Interpretation Act as it stands there does not seem to be any real reason in law why it would be an offence for a member of the administration staff of the Department of National Revenue to produce papers called for by an order of this house.

On that account the bill would seem not to be needed, and it does not appear to advance the privileges of the house with respect to obtaining information that it thinks it should have. Therefore I suggest that this measure can only be described as a discriminatory, snooping bill for low partisan purposes.

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, this bill No. 6 might well be designated as the hardy perennial of the Canadian parliament.

Mr. Knowles: Would the minister like to correct that? It is Bill No. 9.

Mr. McCann: It is six upside down. There have been so many arguments turned upside down that I referred to it as No. 6 instead of No. 9. For the sixth time this bill has been introduced by the hon. member in almost as many years. While I do not intend nor would I like to impute motives to the hon. gentleman, my opinion is that this bill is born more of curiosity and suspicion than with a view of doing any great public good.

I wonder why it is that the C.C.F. hate to see anyone make an honest dollar unless they can share it almost immediately. That is really what this does. The hon. gentleman started off by saying how he would like to see what discussions go on between corporations and the income tax branch. He does not make any accusations, but by innuendo and suspicion he attempts to cast reflections upon the administration of the national revenue department. I submit to him that the public interest is not being protected by arousing suspicions that things are not right in the Department of National Revenue.

The Income Tax Act came into being a few years ago following the old Income War Tax Act. It was introduced one session and then held over designedly to the next session for enactment in order that hon. members might have an opportunity to study it.

I think my hon. friend has introduced this bill following what he did last year, when he tried by every possible method of questioning to have me give information which I was not permitted to give. I have not the slightest

doubt in the world that had I broken the provisions of the act and given the information which he requested in his series of questions he would have been the first to ask for my removal from office or see that I was fined $200. So I think the hon. gentleman is stooping to pretty low motives in wanting to put his nose in every other people's business.

Mr. Knowles: Order.

Mr. Speaker: Order.

Mr. McCann: All he has to do—

Mr. Speaker: Order. I do not think it is quite parliamentary for any hon. member to say of another that he has stooped to pretty low motives. I think the minister would do well to withdraw the expression.

Mr. McCann: If the language is unparliamentary I withdraw it.

An hon. Member: With reservations.

Mr. McCann: With reservations.

Mr. Speaker: Order.

Mr. McCann: I simply repeated what the hon. gentleman said.

Mr. Speaker: I think the Minister of National Revenue is quite capable of making his own remarks, and he would do well to withdraw the words "with reservations".

Mr. McCann: All right; I will do that. I want to say to the hon. member and members of his party that if they are so interested in corporate business, why do they not buy one share of a corporation, go to the annual meeting and ask all the questions they want to ask. They would then be able to find out all about the business of that particular corporation. But no, they want to parade before this house and before the public of this country all the details of business firms throughout the country, and then the next step will be the details of the business of individuals.

I submit, Mr. Speaker, that this bill is not in the public interest. I submit further that it would be very definitely class legislation. All corporations are persons under the law, and they are entitled to the same protection of their rights. Every reason for maintaining the secrecy provisions for the protection of individuals applies with equal force to corporations. In fact the vast majority of corporations are owned by individuals through shareholdings, by one person or by a very small group who have assisted one person financially in the establishment or the extension of the business. Most of these corporations are in substance proprietorships under a legal corporate form. I do not intend that what I have to say shall be limited to small

corporations, because I feel that my remarks apply to all corporations, whether large or small, just as they do to individuals.

As everyone knows from common knowledge, from time immemorial the Englishman's home has been his castle, and all matters pertaining to him and his family are protected by law from trespass or exposure. You cannot enter his house without his permission. You cannot ascertain his private affairs without voluntary disclosure. This right of privacy that every Englishman possesses is as strong in this country and in all the countries of the commonwealth as it is and has been from time immemorial in England, from whence we draw so many of our laws and so much of our tradition. This right of privacy that every Englishman possesses is, as I said, as strong in this country as in any other.

These comments are not comments in law. They are comments on things vital to the nation and the welfare of the people, and are instinctively understood, appreciated and jealously guarded by common consent of every citizen in every nation. The provisions of the Income Tax Act respecting the right of the taxpayer to have his appeal heard in camera, and the provisions respecting secrecy which the bill proposes to amend, have been in the Income Tax Act since it was first enacted away back in 1917.

I think it can be taken that these provisions are a recognition of the inherent right of the citizen to have his business affairs kept as private as possible. This right of privacy is necessarily invaded for the purpose of collecting taxes, but when that purpose has been attained these two present provisions of the act preserve to him that right of privacy in all his affairs. The tax laws of all countries of the commonwealth provide that disclosures of their affairs by taxpayers made to tax authorities are to be held confidential and secret.

The taxpayer is by statute compelled to produce and file with the government and its officials for the purposes of revenue, and for the purposes of revenue only, certain portions of his private affairs, namely his income, the contracts out of which his income is earned, his investments, his relations with other businesses, all of which from time to time play a part in determining what the taxpayer's income may be and have to be produced to the revenue officials. On many occasions in litigation between subject and subject litigants in order to advance their case have subpoenaed officers of the crown for the purpose of compelling them in the witness box to disclose information which came into their possession as officers of the

crown under the compulsion of revenue laws, and to compel them to make disclosures. Where the matter was a civil question between subject and subject the courts have sustained the basic British right of privilege or privacy and secrecy pertaining to a man's affairs, and the inroad into those private affairs is not to be made through the medium of subpoenas.

I am informed that the courts have said that while the right of production as an abstract right is not to be denied the courts, it is equally clear that that abstract right is not to be invoked by order of the court to serve the end of litigants in our courts, which are places of public entry. Having secured the abstract right to the courts, they nevertheless realize the paramount need of the nation as a whole and do not issue orders demanding the production of documents which are received under compulsion of law in the course of carrying out a revenue measure.

In cases of litigation in civil courts between subject and subject our Canadian courts have followed the practice of the British courts of maintaining the right of the court to compel the production of any evidence; but where the Minister of National Revenue or his officers state that it would be injurious to the public interest to produce the documents or to give information, they have consistently held that production should not be made or evidence given. I should like to quote from the judgment in a British case in 1953 as follows:

> They (meaning those who are in the public service and the minister in charge of the department) must know the exigencies of the public service far better than the court and therefore the courts, although not departing—

Mr. Knowles: What date did the minister give for that judgment?

Mr. McCann: In 1893.

Mr. Knowles: I thought you said 1953, but last year when you quoted it you said 1893.

Mr. McCann: 1893.

Mr. Knowles: The same speech.

Mr. McCann: I continue:

> —from the power to have the question thoroughly investigated, nevertheless recognize, in all except extreme cases, that the word of the officer who is head of the department ought to prevail on the question whether the production of the document would be injurious to the public service.

The courts have dealt with this subject on the broad basis of public policy. I think I would go further and say not only would it be injurious to public policy—

Mr. Knowles: I rise on a point of order. I am interested in knowing what the rule is with regard to the reading of speeches. I am interested not only in the fact that the minister seems to be reading from a typewritten document, but also that I am able to follow most of it paragraph by paragraph in *Hansard* of March 22, 1955. He is now reading a paragraph which is to be found in column two on page 2269.

Mr. Speaker: As the hon. member knows, the other day I placed a statement in *Votes and Proceedings* regarding the rule on the reading of speeches, and I did include a few suggestions in that statement. Until the house has signified some approval and support for the suggestions contained in that statement the rule is the one that is quoted in May, Bourinot and Beauchesne, namely that a member while speaking must not read but may refer to his notes. Further to that, there are two statements made by Mr. Speaker Macdonald in 1951 which are to the effect that in speaking, cabinet ministers, the Leader of the Opposition and the leaders of the other parties or someone speaking on their behalf may read their speeches. That is my position at this moment.

Mr. McCann: Mr. Speaker, I have no apology whatever for using substantially the same material as I used last year, because exactly the same type of case has been presented. This is the sixth year this case has been presented, and the hon. gentleman who introduced the bill did not have one single argument to put forward today that he has not made repeatedly for the past six years. I challenge anybody in the house to read the speech the hon. member made today and the speeches he has made in the past six years. They are the same.

Mr. Knowles: I challenge anybody to read any two of my speeches and find identical paragraphs as one can in your speech.

Mr. Speaker: Would the hon. members be kind enough to address themselves to the chair.

Mr. McCann: What I was reading was a quotation from a British case in 1943.

Mr. Knowles: 1893.

Mr. McCann: Do you expect that I am going to memorize judgments?

Mr. Knowles: 1893.

Mr. McCann: 1893; that is what I said.

Mr. Knowles: You said 1943.

Mr. McCann: I think you had better get a hearing aid.

Mr. Knowles: The minister had better get another pair of glasses.

Mr. McCann: I do not attempt to memorize judgments given by courts. Since the hon. gentleman has succeeded in interrupting me, I am going to repeat this judgment of 1893, because it is extremely important. The quotation is as follows:

> They (meaning those who are in the public service and the minister in charge of the department) must know the exigencies of the public service far better than the court and therefore the courts, although not departing from the power to have the question thoroughly investigated, nevertheless recognize, in all except extreme cases, that the word of the officer who is the head of the department ought to prevail on the question whether the production of the document would be injurious to the public service.

The courts have dealt with this subject on the broad basis of public policy. Information which is received by the crown for the purpose of revenue only will not be used directly or indirectly in any other direction or for any other purpose. I might interject here, Mr. Speaker, that there have been deviations from that course. For instance, the supreme court decided in 1954 that notwithstanding the section, employees of the Department of National Revenue could be required to classify and produce returns in criminal cases.

My further remarks will have to be with reference to the hearing of these corporate appeals in camera and the necessity that they be kept private and confidential. Court procedures may well expose the trade secrets and every financial operation of a corporation to the full view of its competitors, a process which would completely eliminate the fruits of good business principles and administration and do irreparable harm to the business.

The Income Tax Act gives the minister the widest power to demand information from any person of his own or another taxpayer's affairs for the sole purpose of assessing taxes. That is the reason it is required. Obviously the minister would not of his own volition bring to the house information obtained under the authority of the act. These amendments necessarily mean that somebody in the house or the Senate must seek that information, and the purpose for which he seeks it may be good or evil. Parliament could be made the instrument of securing private information compelled initially to be given by statute, solely for the purpose of revenue; and the house could not possibly know with complete satisfaction why the information in a particular case or group of cases was desired.

It would be my view that parliament is supreme in all these matters. If parliament indicated that this information must be given, we would comply. However, the question that is being put to the test is this. Should this amendment be the means through which persons in this house can cause the minister to secure information and bring it to the house in response to any inquiry or motion?

I suggest it is more desirable to deal with these matters directly. If any corporation is to be interrogated, or its private affairs examined, then parliament can do so if it so desires, by the appropriate procedure of which every member of this house is aware. That is, it can do directly what this bill seeks to do indirectly.

There are not many more comments that I wish to make, Mr. Speaker, except to say that in addition to the powers of parliament to which I have just referred, the Auditor General of Canada has free access to and has members of his division practically in our head office and in a good many of the more important offices throughout the country. Chapter 116 of the revised statutes of 1952 gives him certain powers. Section 66 of the Financial Administration Act reads as follows:

> 66. (1) Notwithstanding any act, the Auditor General is entitled to free access at all convenient times to all files, documents and other records relating to the accounts of every department, and he is also entitled to require and receive from members of the public service such information, reports and explanations as he may deem necessary for the proper performance of his duties.

The Auditor General has full authority to examine into the tax returns of any individual or corporation, and he may seek—and he always gets full co-operation and assistance from the members of the Department of National Revenue.

I submit, Mr. Speaker, that it is a matter of pride that the Department of National Revenue has administered this law loyally and meticulously and has complied with all the secrecy provisions, though of necessity the collection of taxes requires the production in detail of the private business affairs of all taxpayers. Should these amendments pass, any resulting disclosure of private information to this house would be disclosure to the public at large, including competitors. That is something which I submit would be resented; and notwithstanding the legality with which these amendments would clothe that disclosure, such resentment would reflect on the administration which had secured the information for the sole purpose of levying taxes.

I am of the opinion that the adoption of these amendments would be a backward step and accordingly I, on behalf of the government, oppose the bill.

Mr. Knowles: Mr. Speaker,—

Mr. Speaker: If the hon. member for Winnipeg North Centre speaks now, he will close the debate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, first of all I must point out that I have been saved the necessity of making any notes with regard to the speech just given by the Minister of National Revenue (Mr. McCann). I have it all before me in his speech of last year at pages 2268 to 2271 of *Hansard* of March 22, 1955.

Mr. McCann: Why did you not read it? You were defeated on exactly the same arguments for the last six years.

Mr. Knowles: Mr. Speaker, the minister seems to take some pleasure in the fact that the majority of the house happens to agree with him that the proposal set out in this bill should not be enacted. I am aware of the fact that on this measure there seems to be great unanimity amongst the Liberals, the Progressive Conservatives and the Social Crediters in this house. One often hears it said, particularly by Progressive Conservatives and Social Crediters, that parliament should be given full information, that all the matters with which the government is concerned should be brought to the light of day. This is particularly true if the Canadian National Railways is under discussion, or the Canadian Broadcasting Corporation, or any other crown corporation, or the affairs of the government itself. All these things must be brought out to the light of day. The veil of secrecy must be lifted.

Mr. Fleming: We put public money into them. You vote public money for them right here.

Mr. Knowles: My friend the hon. member for Eglinton says that we vote public money. My point is that the amount of money in the public treasury is, to a large extent, determined by the taxes levied on corporations, and the amount obtained from corporations is in turn affected by the treatment accorded to their income tax returns. I contend that this matter is as much a matter of public interest and public concern as are the affairs of the Canadian Broadcasting Corporation, the Canadian National Railways, the Polymer Corporation or the government itself.

Some hon. Members: Oh, oh.

Mr. Knowles: My hon. friends shout in holy horror against that view, but it is just a matter of whose ox is being gored. My hon. friends seem quite willing to make their attacks on crown corporations and public bodies, but they want nothing to strike at this sacred privilege of private corporations to enjoy the protection of secrecy. It is interesting to notice the way in which the members of all parties surrounding us get together on this issue.

Mr. Fleming: Everybody is out of step but Stanley.

Mr. Knowles: I was quite interested in the forthright statement of the position of those opposed to this bill which was given by my good friend the hon. member for Nicolet-Yamaska (Mr. Boisvert). He went to town; he pulled out all the stops. He said this is something that is sacred; this is one of the most basic things in our society, this right of private corporations to have their income tax matters secret. This is a matter of public security. This is attacking the good of Canada, to attack the secrecy of income tax matters of private corporations.

We contend, Mr. Speaker, that there is no such thing as a corporation—that no corporation in this country would get anywhere—without the people who do the work and who provide the markets out of which these corporations make their income. We contend that these matters are matters of public concern, and that the corporations have no right to the protection of this ironclad secrecy which is given to them by section 133 of the Income Tax Act. It is guaranteed to them, apparently, so long as there are enough Liberals, Tories and Social Crediters in combination to provide a majority in this house.

The Minister of National Revenue makes a good deal of the fact that these corporations are legally persons. I recognize that that is a legal interpretation of a corporation, but surely there is a difference between the Canadian Pacific Railway and James J. McCann or Roland Michener. Surely their being persons is something different than the personality which is ascribed to these corporations. We contend that these corporations should be made the servants of the people, of the living human beings in this country; that they should not have the right to make huge profits out of the economy of this country and have the matter kept in complete secrecy.

Mr. Trainor: Who says the profits are huge?

Mr. Knowles: The Minister of National Revenue, in that part of his speech which was not in the printed speech of last year, said something he was required to withdraw. But in saying that he suggested that some of us were throwing innuendos, were arguing that the income tax department is to be suspected, that it is not to be thoroughly trusted. If the income tax department is completely above suspicion in all its dealing with individual corporations; if it treats every corporation, whether it is the little corner store or a huge distillery, on the same basis with respect to all its different kinds of expenses; I would think it would be the first to say, "We want

this material out in the open so there will be no question about it."

This could be described as a bill in defence of the purity of the income tax branch so far as these matters are concerned. I should say very strongly that if there is any matter the people of Canada have a right to know anything about, it is the income tax arrangements with these huge corporations that are making money that they could not possibly make if it were not for the fact that there are 15 million Canadians in this country to do the work and provide the markets out of which this great wealth is made.

Mr. Boisvert: Would the hon. member permit a question?

Mr. Knowles: Very gladly.

Mr. Boisvert: How many of these people are living on what the corporations are doing in this country?

Mr. Knowles: Most of the people in this country are living by the sweat of their brow. Most of the people in this country are living by their toil on the farms or their toil in industry, out of the wages they receive. They are not living out of corporation profits. Only a few are doing that. My hon. friend's approach—

Mr. McCann: Would the hon. member permit a question?

Mr. Knowles: Yes.

Mr. McCann: Does he realize that the government of Canada, for the people of Canada, has a 45 per cent interest through the corporate tax in all the profits of every corporation in Canada? It is that tax that helps to provide—

Mr. Knowles: That is exactly the point.

Mr. McCann: It is that tax which helps to provide all the social security and other requirements of the country.

Mr. Knowles: I thank the minister for helping me out with my speech. This is something else that was not in the part of last year's speech which he read. He is making the point that the people of Canada, through the government, have a stake in corporate profits to the extent of 45 per cent of those profits. I believe that is one more reason why we should know whether or not that 45 per cent is levied properly and accurately in all cases, whether it is completely fair across the board. It is all the more reason why we should have the kind of information this measure aims at obtaining.

You see, the hon. member for Winnipeg South (Mr. Trainor), the hon. member for Nicolet-Yamaska (Mr. Boisvert), the Minister of National Revenue and others who might be named seem to think that corporations, because they have payrolls, because they do a certain amount of developmental work, are beneficent feudal lords. They are quite satisfied this is the way our economy should be run. We should bow down and worship these corporations because they provide jobs.

It is our contention, as I have said several times tonight, that no corporation would be able to exist at all in this country, no corporation would make any profit or get anywhere, if it were not for the part that the people play through their toil or through their role as consumers. What we are trying to emphasize is the social fact of what corporations are, and it is because of that social fact we contend we are entitled to such information as is available in the income tax department.

Mr. Studer: Tell us about the socialist corporations.

Mr. Knowles: A number of my friends raised an interesting question. They wanted to know whether I was not being discriminatory in distinguishing between individuals and corporations. I point out, of course, that the Income Tax Act distinguishes between individuals and corporations. There are the two groups. There is the individual income tax and the corporate income tax.

I point out also that when I first introduced this bill, and as the Minister of National Revenue says that was a long time ago, its provisions were not limited to corporations. When I first introduced the bill it called for the possible revelation of this information from any income tax return. There are still 50 or more hon. members around who were here when I first introduced this bill, and if they will search their memories they will realize that the main criticism levelled at my bill when it included individual income tax returns was that this was peeping Tom legislation; this was getting into the private affairs of individuals. All the attacks on that first bill of mine were levelled against the extent to which it seemed to get at individuals. I said all right; if that seems to be the main criticism of this bill I will accept it and take out the part regarding individuals, just leaving the corporations. The fact is that far more holy horror is expressed now when an attempt is made to get information concerning corporations alone than was expressed when it related to individuals. We know now who the sacred cow is so far as the other three parties of this house are concerned.

Mr. Fleming: Go on with your hymn of hate.

Mr. Knowles: My hon. friends can make these interjections if they wish. They are simply making it clear that their concept of public service is to provide special privilege for monopolistic corporations, even in a day when society has moved on to the realization that most of the things we do are by common, community, co-operative effort; what we gain we gain by our common effort, and what we have won in that way really belongs to us all—at least, the knowledge about it, such as that which is in the possession of the Department of National Revenue.

Some of those who have criticized the bill, notably the hon. member for Macleod (Mr. Hansell), have asked questions about the mechanics of it in the form in which it is drafted. The hon. member for Macleod implied that if the publishing of this information by the government were made mandatory by my bill instead of voluntary, his attitude toward it might have been different.

Mr. Trainor: He said he did not think so.

Mr. Knowles: Well, I have a pretty good idea what would have been said by him and by others in this house if I had brought in a bill making it mandatory to publish all the information in all the corporation income tax returns filed with the Department of National Revenue. I would have been told it would involve a huge amount of printing; it would involve an endless and wasteful expenditure, and therefore we simply could not go ahead with it.

Now, Mr. Speaker, despite the charges that have been made that I did not think this thing through too well before I drafted this bill, I make the assertion that I did do a great deal of thinking about it and did discuss it with legal counsel as well, as to what was the best way to go about it; and it was quite a deliberate decision on my part that one should not require that all the information should be published automatically but rather, as the hon. member for Dauphin (Mr. Zaplitny) put it, that the umbrella under which the Minister of National Revenue can now hide should be removed, and moreover that the legislation should be such that a minister of the crown could give this information in the Senate or in the House of Commons.

The bill as worded does not require such information to be requested by a member of parliament. Indeed, the minister could make such information public on his own initiative; but I suggest that the hon. member for Macleod is really handing out innuendoes when he suggests that if this bill were passed any minister would take the position in reply to one request that that kind of information could be given, but in reply to another, which might be embarrassing to his side of the house, that information would be withheld.

Mr. Hansell: I did not say that. I said it was conceivable that that could happen.

Mr. Knowles: The hon. member said it was conceivable. I am sure that if he will read the bill more carefully and think it through he will realize that if it were passed, not to be mandatory that everything be published but with a provision for the minister to make any of this information available to parliament, I suggest it would be an affront to parliament if any minister after that refused to give any information of that kind that was requested.

Some have said that parliament can get action today. The hon. member for St. Paul's (Mr. Michener) said that parliament can pass the appropriate order for return and get the information, but the Minister of National Revenue does not agree with the hon. member for St. Paul's on that point. On February 21, 1955, as recorded at page 1331 of *Hansard*, my colleague the hon. member for Dauphin moved a motion calling for certain documents in this field. This was the reply of the Minister of National Revenue:

> Mr. McCann: Mr. Speaker, I will have to oppose this motion, and suggest to the hon. member that it be withdrawn. I oppose it on the ground that this is private correspondence between a taxpayer and the taxation division of the Department of National Revenue and that, according to the secrecy provisions, it cannot be disclosed.

I remind the hon. member for St. Paul's that last year when we were dealing with a certain question his colleague, the hon. member for Prince Albert (Mr. Diefenbaker), sought to get certain information. He was told, as I was told at the same time, that we could not get that kind of information because of the secrecy provisions of the act.

Mr. Michener: Because the order was not passed.

Mr. Knowles: My hon. friend says: "Because the order was not passed". Does he not know that at the present time there is in this house an overpowering majority that defeats motions of that kind every time? And does he not realize that he himself admitted that if by any chance his party were on the other side they would take the same stand? He said that tonight.

Mr. Fleming: No, he did not.

Mr. Knowles: Oh, yes.

Mr. Fleming: He did no such thing.

Mr. Knowles: He said that the way to correct what he thought might be some doubt-

ful practices in the Department of National Revenue was not to lift the veil of secrecy; no, keep it on, just change the party in power.

Mr. Michener: On a question of privilege, what I suggested was that if the house by a majority called for those papers there was nothing in the act as it stands to prevent them being given.

Mr. Knowles: That is a debatable point. I do not think the Minister of National Revenue will agree with the hon. member that they could be brought down even if the house passed the motion, since it is against the statute. If I may offer my opinion, even though I am not a lawyer, the only way the house could override a statute would be by passing another statute, not simply by an order for return, as my hon. friend suggests.

But the point is—and the hon. member for St. Paul's has made his party's position clear in this matter—that so long as the majority is against this kind of thing we will not get it. We know the Liberals are against it. We know now the Conservatives are against it. We know the Social Crediters are against it. It looks as though the secrecy surrounding private enterprise is protected, and therefore for some little while longer private enterprise can go its merry way knowing that its affairs, though they are of public concern, though they are possible only because of the contribution the public makes to them, will not be made known to the people of this country.

This is a longer speech, Mr. Speaker, than I made when I introduced the bill. At any rate, nobody would say I am reading it, or that I ever read a speech in this house.

An hon. Member: Maybe you cannot read.

Mr. Knowles: I hear someone say, "Maybe you cannot read". That might be correct. I am also aware of the fact that when I introduced the bill I thought, well, it is just a harmless little bill. The rest of the boys, and the girls, do not like it, but it will not stir them up too much. But lo and behold, it has. It has stirred them up as it did before because of the interest so many members in this house seem to have in protecting private enterprise and the profits that huge corporations make out of the Canadian people.

Some day there will be a change. Some day the people of this country will realize that the economy of this country is a matter of public concern, and that all its benefits should accrue to the people of Canada themselves.

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

YEAS

Messrs:

Argue
Barnett
Bryce
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Johnson (Kindersley)
Jones
Knight
Knowles
MacInnis
McCullough (Moose Mountain)
Nicholson
Regier
Stewart (Winnipeg North)
Zaplitny—18.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Ashbourne
Batten
Beaudry
Bell
Benidickson
Bennett
Blackmore
Blair
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brooks
Bruneau
Buchanan
Byrne
Campney
Cardiff
Cardin
Carrick
Carter
Cavers
Charlton
Cloutier
Crestohl
Demers
Denis
Deschatelets
Deslieres
Dickey
Drew
Eyre
Fairclough, Mrs.
Fairey
Fleming
Follwell
Forgie
Fraser (Peterborough)
Gagnon
Gardiner
Garland
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gourd (Chapleau)
Green
Gregg
Habel
Hahn
Hamilton (Notre Dame de Grace)
Hanna
Hansell
Hardie
Harkness
Harrison
Hellyer
Henry
Hodgson
Hollingworth
Holowach
Hosking
Houck
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Legare
Lennard
Lesage
Lusby
Macdonnell
MacDougall
MacEachen
MacLean
MacNaught
McBain
McCann
McGregor
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Masse
Michaud
Michener
Mitchell (London)
Monette
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nixon
Pallett
Patterson

Pearkes	Schneider
Philpott	Simmons
Pinard	Smith (Battle River-Camrose)
Pommer	Stanton
Poulin	Starr
Power (Quebec South)	Stuart (Charlotte)
Power (St. John's West)	Studer
Prudham	Thatcher
Purdy	Thomas
Quelch	Trainor
Ratelle	Tucker
Rea	Tustin
Reinke	Valois
Richard (St. Maurice-Lafleche)	Viau
Richardson	Villeneuve
Roberge	Weaver
Robertson	Weir
Robinson (Bruce)	Weselak
Robinson (Simcoe East)	White (Hastings-Frontenac)
Ross	White (Middlesex East)
Rouleau	White (Waterloo South)
Rowe	Yuill—159.
St. Laurent (Quebec East)	
St. Laurent (Temiscouata)	

EDUCATION

PROVISION OF NATIONAL SCHOLARSHIPS AND BURSARIES

The house resumed, from Thursday, January 26, consideration of the motion of Mr. Hollingworth:

That, in the opinion of this house, the government should consider the advisability of introducing legislation to provide national scholarships and bursaries for students at the university level who are in financial need, in so far as the subject matter of this resolution is within the competence of parliament.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I must congratulate the hon. member for York Centre (Mr. Hollingworth) upon presenting this resolution to the house. It is significant that the members of all parties have paid tribute to my colleague the hon. member for Saskatoon (Mr. Knight) for having presented a similar resolution to parliament year after year. Now that hon. members of all parties have indicated their support of the ideas expressed in this resolution I hope that action will be taken very soon and funds made available for this purpose.

Recently I saw some statistics prepared by the Canadian Bank of Commerce indicating the division of federal, provincial and municipal taxes. The breakdown to the nearest percentage showed that of the Canadian tax dollar, 74 per cent comes to the Minister of National Revenue and 14 per cent to the provincial treasury, with 12 per cent going to the municipality. I think it must be obvious to everybody that the municipalities and the provinces with but 26 cents of every tax dollar provided by the Canadian people cannot furnish that quality of education which is necessary in this day and age.

Education

When we consider the amount spent by the Canadian people on educating our young people during the war years it is clear that we are going to have to tackle the problem of providing funds for university education just as we provided funds during the war years.

I remember that during the war a question was asked of Senator Power, who was then minister of national defence for air, as to the cost of training a pilot. He said the cost was around $30,000. A year ago the present Minister of National Defence was asked the same question, and he said the cost is now $65,000. If the people of Canada are able to spend $65,000 on the training of a pilot, we can spend adequate amounts to provide university education.

This morning I ran across a new book, "The Age of Mackenzie King". I am sure that all members of parliament will want to read this very interesting book written by H. S. Ferns and B. Ostry. I find that the book is dedicated to the memory of Flying Officer William Paterson and Pilot Officer Leon A. Titof. Those members who were here in 1940 will recall that Flying Officer Paterson was on the prime minister's staff at that time. He was a very brilliant young Canadian who had started out in external affairs and was then in the prime minister's office.

I remember being in the home of our station agent on Christmas eve, 1943, I think it was. The year before the station agent had received word that his only son, who was in the R.C.A.F., had been reported missing. Later the news of his unfortunate death was received. Flying Officer Paterson was overseas with the R.C.A.F. and on Christmas morning his wife received word that he was missing. Later it was confirmed by the R.C.A.F. that he would never come back to Canada. Pilot Officer Titof also came from my constituency. His father was a merchant, and this young chap was able to join the air force when he finished school. He was such a promising young lad, and of course he never came back.

When one considers that thousands of our young people had similar experiences to those of Flying Officer Paterson and Pilot Officer Titof one might expect that now, in memory of these young men and their pals, we would find ways and means to see that the young people of Canada who have the mental qualifications are given a chance to go to university and make their contribution to the life of Canada and of the world.

Therefore I hope there will be unanimous support for the resolution moved by the hon. member for York Centre. I hope we will all accept the resolution.

Education

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I want to say a few words in support of the resolution of the hon. member for York Centre, which I think is supported in most quarters of the house. Before I do so, however, I should like to make one point that has not been made yet.

While it does seem to me that we need more of the right kind of students in all our educational institutions, the primary schools, the high schools and the universities, I think we now have a great many of the wrong kind of students at all levels of our educational system. It seems to me that not only in the higher grades of our primary schools but in our high schools and in our universities there are people who do not want to be there, who are kept there more or less against their wills, either through family pressure or other pressure, who are only marking time. The net effect of their presence is to clog the progress of all. I think these beliefs would be borne out by almost anyone who acts in a professional capacity at any level of our educational system in Canada. In other words we have too many drones, too many dead cells, in our educational institutions.

On the other hand, Mr. Speaker, I think it must be obvious to anyone who studies the facts that there are a great many potential leaders in all walks of life who never get the chance to become leaders in our society because they lack the opportunity to get such education as would enable them to do so. I think the very first point made yesterday in the joint declaration by the two great leaders of the western democracies, President Eisenhower and Sir Anthony Eden, centred on the value of the individual.

It seems to me if there is one thing that differentiates our ideals from the ideals of certain other parts of the world it is that we place as the supreme value the worth of the individual citizen in our democracy; and it is a fact that is easily ascertained by studying what happens in any walk of life in our society that a great many people who are potentially great in any field do not get a chance to make the most of their talents simply because they lack the education.

I move the adjournment of the debate.

Some hon. Members: No.

Mr. Speaker: Mr. Philpott, seconded by Mr. Garland, moves the adjournment of the debate.

Mr. MacInnis: Talk it out.

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

Some hon. Members: No.

Mr. Speaker: Those who are in favour will please say "yea".

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed will please say "nay".

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Mr. Coldwell: On division.

Mr. Speaker: I declare the motion carried on division.

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:

POSTAL WORKERS' BROTHERHOOD—BRIEF

Question No. 14—**Mr. Diefenbaker:**

1. Was a brief submitted to the Minister of Finance, the Acting Postmaster General and the Secretary of State, on May 27, 1955, by the postal workers' brotherhood of Canada, asking for an increase in their salaries?
2. If so, has consideration been given by the government to this request and what decision was made?
3. Has the government given consideration to the setting up of a board of arbitration or commission to hear representations and to make recommendations relative to the request by the said brotherhood?

Answer by: **Mr. St. Laurent (Quebec East):**

1. Yes.

2. Yes; no general increase in civil service salaries has been made since the request. The brotherhood was told that ministers had not been convinced there is a justification for special action in regard to the salaries of postal workers, but they would be glad to see any further evidence that the brotherhood wishes to present in support of its case.

3. No; the Prime Minister informed the brotherhood that the Civil Service Act did not provide for arbitration and the law relating to conciliation boards in industrial disputes is clear in stating parliament's intention that it should not apply to the civil service. It was pointed out that the civil service commission is an independent body, established by parliament and not subject to any direction by the government, which has the duty of investigating questions of the kind referred to by the brotherhood, hearing the views of associations and making recommendations upon them. The Prime Minister expressed his view that this full-time tribunal, established by parliament and assisted by a large and expert staff, is far better able to give proper consideration to matters of this kind than would some ad hoc conciliation board as proposed by the brotherhood.

WHEAT BOARD—INFORMATION SUPPLIED TO DEPARTMENT OF NATIONAL REVENUE

Question No. 40—**Mr. Argue:**

1. Has the Canadian wheat board supplied the Department of National Revenue with statements of payments made to producers?
2. If so, under what authority?

Answer by: **Mr. Howe (Port Arthur):**

1. Yes.

2. By order of Department of National Revenue dated September 13, 1948.

Questions

GRAIN—LOSS THROUGH SPOILAGE

Question No. 57—**Mr. Thatcher:**

How much grain, owned by the Canadian wheat board, has been lost in storage through spoilage, in each of the crop years, 1952, 1953, 1954 and 1955?

Answer by: **Mr. Howe (Port Arthur):**

The Canadian wheat board has no knowledge of loss of grain through spoilage because licensed elevators are responsible, as warehousemen, for maintaining condition of grain. Spoilage is a negligible factor in warehousing Canadian grain.

WHEAT—BARTER SALES

Question No. 59—**Mr. Thatcher:**

1. During 1954 or 1955, have any nations expressed a specific desire to the Canadian wheat board or to the Canadian government to barter merchandise or raw material for Canadian wheat?
2. If so, what nations, and for what products?

Answer by: **Mr. Howe (Port Arthur):**

1. No.
2. See answer to No. 1 above.

COAL STATISTICS, 1955

Question No. 75—**Mr. Regier:**

1. What is the extent of the consumption of coal in Canada for the year 1955?
2. How many tons of coal were imported into Canada in 1955, and how many tons were exported?
3. What is the estimate of duty paid on Canadian coal sold to the United States in 1955, and what is the estimate of duty received on American coal entering Canada in 1955?

Answer by: **Mr. Howe (Port Arthur):**

1. Consumption of coal in Canada, calendar year 1955, 34,810,000 tons (preliminary estimate).

2. Canadian imports of coal, 10 months ended October 1955, 16,319,058 tons.

Canadian exports of coal 11 months ended November 1955, 554,999 tons.

3. Estimate of duty paid on Canadian coal sold to United States in 1955, not available.

Estimate of duty received on American coal entering Canada January 1-October 31, 1955, $4,767,706.

FARM STATISTICS, PRAIRIE PROVINCES

Question No. 78—**Mr. Boisvert:**

How many farms were in operation in Manitoba, Saskatchewan and Alberta for the years 1950, 1951, 1952, 1953, 1954 and 1955?

Answer by: **Mr. Howe (Port Arthur):**

Number of occupied farms in 1951 (1951 census): Manitoba, 52,383; Saskatchewan, 112,018; Alberta, 84,315.

For the years 1950, 1952, 1953, 1954 and 1955, the information is not available.

As a result of the census to be taken in June of this year, an up-to-date figure will be obtained.

Questions

UNEMPLOYMENT INSURANCE BUILDING ERECTION, OSHAWA

Question No. 87—**Mr. Starr:**

1. Have plans been made for the erection of a building in the city of Oshawa to house the local branch of the unemployment insurance commission?

2. If so, in what location?

Answer by: **Mr. Pinard (for Mr. Winters):**

1. No.

2. Answered by No. 1.

HOUSE OF COMMONS

Friday, February 3, 1956

The house met at eleven o'clock.

AIR TRANSPORT

CORRECTION IN STATEMENT AS TO FLIGHT HOURS

On the orders of the day:

Hon. George C. Marler (Minister of Transport): On a question of privilege, I wish to say that on Wednesday, in replying to a question of the hon. member for Winnipeg North Centre, I said that flight hours and hours between flights for aeroplane pilots did not fall within the jurisdiction of the air transport board.

I find that I was misinformed and I much regret that this wrong information was given to the house. May I add that I am informed that no representations in this matter have been received by the air transport board.

TRANS-CANADA AIR LINES—CHANGE IN FLIGHT HOURS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce supplementary to the statement just made by the Minister of Transport. Can the minister say whether Trans-Canada Air Lines have received representations asking for a change in flight hours and hours between flights for air line pilots?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I know of none, and I would not be informed on that subject. That is a matter of conditions of work, which is wholly the responsibility of Trans-Canada Air Lines. It is a matter of internal management of the air line.

POTATOES

STATEMENT ON SHORTAGE OF BOX CARS IN PRINCE EDWARD ISLAND

On the orders of the day:

Hon. George C. Marler (Minister of Transport): I have been asked by all the hon. members from Prince Edward Island to make a statement in regard to railway cars for the shipment of potatoes.

I have made inquiries of Canadian National Railways and the management inform me that the present is a period of the year when the demand for refrigerator cars throughout the continent is at a peak. Movement of all commodities in the maritimes was hampered severely in the first two weeks of January by extreme weather conditions, resulting in a backlog which has not yet been overtaken. I should add, however, that on January 25 there were 32 per cent more refrigerator cars in the maritimes than on the same date last year, and that everything possible is being done to increase further the number for Prince Edward Island.

EXTERNAL AFFAIRS

REPORTED DELIVERY OF ARMS BY RUSSIA IN RETURN FOR SLAVES

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to direct a question to the Secretary of State for External Affairs. Can he enlighten us further or indicate the position taken by this government in regard to the shocking facts disclosed in a report to Dag Hammarskjold referred yesterday to the United Nations in connection with the reported purchase of arms from Russia by the delivery of 1,500,000 Chinese slaves?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I was not given notice of this question, therefore I am not sure that the facts as reported in the press or as reported by my hon. friend are correct. If I recall his question correctly, I believe he said that this was a report of the Secretary General of the United Nations. That was not my understanding of it, but I shall look into the matter and see whether a statement can be made as soon as I have seen the report in question.

STATEMENT ON REQUEST FOR TABLING OF MINISTERIAL ORDER OF JULY 7

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I should like to answer the question of the Leader of the Opposition, addressed to the Prime Minister. The question was:

In that case, Mr. Speaker, just to clarify it, may I ask the Prime Minister if the published list which is issued by the Department of Trade and Commerce covering aircraft is not in fact the full list of permits that are issued?

The answer is that there is no published list of permits issued by the Department of Trade and Commerce, and I assume that the Leader of the Opposition is referring to the export statistics published monthly by the dominion bureau of statistics recording exports from Canada. This report shows the export of one aircraft to Egypt in May, 1955, and one aircraft to Saudi Arabia in July of that year. I am advised that the aircraft in question are light civilian planes purchased by oil companies operating in these countries for patrolling their pipe lines. Export permits were issued covering each of these transactions in the usual way.

Canada has developed commercial aircraft which are in demand all over the world and we do not consider that these aircraft have any strategic importance or that these should be considered as war material. It will not help Canada's growing civilian aircraft industry if full particulars of every transaction in this highly competitive field have to be made public for the benefit of their foreign competitors.

STATEMENT AS TO SECRECY OF EXPORT PERMITS

On the orders of the day:

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yesterday the hon. member for Eglinton (Mr. Fleming) asked whether goods obtained from the Crown Assets Disposal Corporation are subject to export permits. The answer is that goods purchased from Crown Assets Disposal Corporation are subject to the same export permit procedure as goods purchased from commercial firms, and these documents are given the same confidential treatment.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, as a matter of record, I would point out that the lists—

Some hon. Members: Order.

Mr. Drew: Mr. Speaker, I would remind hon. members of a story I told in this house and ask who is in charge here.

Mr. Speaker: Perhaps I might supply a clue as to that. It is, of course, well-known that answers to questions should not be debated. If the Leader of the Opposition is leading to a question and wishes to state some facts in order to come to his question, of course it will be allowed; but I think what provoked the calls of order by the hon. members was the fact that the Leader of the Opposition apparently proceeded to debate the question.

Mr. Drew: Mr. Speaker, in view of the observation you have made I would point out that it is impossible before a single sentence has been completed to determine what the remainder of the sentence is going to be.

Mr. Speaker: Order.

Mr. Drew: I had understood that it is not only permissible but desirable to correct inaccuracies in statements when they are made.

Some hon. Members: Question.

Mr. Drew: However, Mr. Speaker, there will be other opportunities to deal with that aspect of it.

Some hon. Members: Question.

Mr. Drew: I will ask a question, however, in regard to this matter. The Minister of Trade and Commerce (Mr. Howe) has given for the first time the information as to the aircraft. Is it not correct that the air force of the United States has bought quite a number of these same aircraft?

Mr. Howe (Port Arthur): Well, Mr. Speaker, not to my knowledge. If they have bought the same planes, the reference is to the Chipmunk plane arranged for civilian use.

Mr. Drew: And used for training purposes.

Mr. Howe (Port Arthur): It is not used for training purposes. It is used to inspect oil pipe lines. It was bought by a private oil company and if a private oil company uses it for training purposes I do not know what the training would be for. I hope my hon. friend does not attempt to distort a simple statement of fact.

PRESENT POSITION OF EMBARGO ON ARMS SHIPMENTS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister. What is the present position in regard to the embargo which the Prime Minister undertook to impose pending the foreign affairs debate on shipments of aircraft and armaments in general to the Middle East? Has the embargo which was imposed been lifted or is it still in effect? What is the position with regard thereto?

Right Hon. L. S. St. Laurent (Prime Minister): The embargo has not been lifted and the matter is now under consideration.

COMMUNIST CHINA—INQUIRY AS TO POSSIBLE RECOGNITION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the fact that no response was made to my suggestion during the debate which took place on

Tuesday and Wednesday, may I ask the Prime Minister if he is prepared to give the house an unqualified undertaking that there will not be recognition of the government of communist China until the subject has been brought before the House of Commons?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there is no consideration being given at this time to any proximate recognition of the government of communist China.

Mr. Drew: That was not my question. I asked the Prime Minister if he would give an undertaking that there would not be recognition before the subject had been brought before the House of Commons for consideration.

Mr. St. Laurent (Quebec East): The government will give careful consideration to its responsibilities, both to the House of Commons and to the Canadian people, in considering this matter.

BRIDGES

PETERBOROUGH—INQUIRY AS TO OPENING OF SWING BRIDGE OVER TRENT CANAL

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I should like to address a question to the Minister of Transport, of which I gave him notice. Can the minister say when the swing bridge over the Trent canal on the Warsaw road in Peterborough will be ready for traffic since the veterans in that district now have a long detour to get to the city to work?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. member said he gave me notice of the question, but I regret to say I have not received it. I shall have to made inquiries in order to answer the question.

Mr. Fraser (Peterborough): I am sorry. The letter was mailed in this building at eight o'clock last night and I thought the minister would have it.

TRADE

NEGOTIATIONS WITH RUSSIAN DELEGATION—INQUIRY AS TO REOPENING OF CONSULATES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I ask the Minister of Trade and Commerce whether it is a fact that in the course of the current negotiations the representatives of Russia are seeking the right to reopen consulates across Canada. If so, what position are Canadian representatives in these negotiations taking on the subject?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it is very difficult to talk about pending negotiations. When the negotiations are completed I shall be glad to make a report to the house, but I think I can say that no suggestion of opening consulates across Canada is involved in the present trade agreements, which are merely that, trade agreements.

[*Later:*]

Mr. Fleming: Mr. Speaker, may I ask a question of the Secretary of State for External Affairs in view of the earlier answer given to my question by the Minister of Trade and Commerce (Mr. Howe). Has any application been received from the Russian government or the Russian ambassador for permission to open consulates across Canada? Has there been any expression of a desire in that respect?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the hon. member was not able to give me notice of his question. I take it that it does not relate to the current trade discussions but to whether or not a request has been made previously to open consulates in Canada. Obviously that is something I will have to look into to see if such a request has been made.

ATOMIC ENERGY

INQUIRY AS TO CLOSING OF HEAVY WATER PLANT AT TRAIL, B.C.

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce (Mr. Howe). There are dispatches stating that the heavy water plant at Trail, British Columbia, is being closed down. Can the minister inform the house if that is correct and if so what disposition is to be made of that plant?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the heavy water plant at Trail was built under an arrangement with the government of the United States. If it is being closed down it is being closed by arrangement with the United States. The government of Canada has never had any interest in the plant nor has it obtained any material from that plant.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct a supplementary question to the Minister of Trade and Commerce concerning the closing of the heavy water plant at Trail. Can the minister assure the house that this will not affect the operations of the plant at Chalk River? I ask this question because in the years when the atomic energy committee was sitting we were

told that the heavy water used at Chalk River came from the plant at Trail.

Mr. Howe (Port Arthur): I can assure my hon. friend that the closing down of the plant at Trail will not affect the position of Atomic Energy of Canada Limited. I am surprised that the hon. member has been told that the heavy water at Chalk River came from Trail because it is not to my knowledge that that is the case. We purchase our heavy water from the atomic energy commission of the United States and it is my understanding that it comes from quite a different source.

HOUSING

ST. CATHARINES—REPOSSESSION OF HOMES OF MEN ON STRIKE

On the orders of the day:

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I have given the Acting Minister of Public Works notice of this question together with representations and telegrams received. Will the minister state the status of negotiations carried on with regard to the possible eviction by the Central Mortgage and Housing Corporation of certain workers on strike in St. Catharines?

Hon. Roch Pinard (Acting Minister of Public Works): Mr. Speaker, the hon. member was good enough to indicate to me his intention to ask this further question. I think the statement I made on the 1st of February was quite clear, as to what had been going on at that time, and I shall quote from what I said on that date. This is what I said on that occasion:

> At the present time there are 13 orders for repossession in the hands of the sheriff, but action is being withheld on these pending negotiations now going on between representatives of the union and officials of the corporation.

I did not refer to any negotiations between General Motors and the union but to negotiations between the officials of Central Mortgage and Housing Corporation and the union.

Now, to answer the question of my hon. friend, I would say that these negotiations are still going on between the officials of the Central Mortgage and Housing Corporation and the union; in fact, a meeting has been arranged for Monday between the officials of Central Mortgage and Housing Corporation and the union officials.

I might add as a further comment that the conditions which are being offered and discussed between the officials of the union and the branch manager of Central Mortgage and Housing Corporation and his officials are along the same lines as those that have been offered to the union in a previous automobile strike, which terms had been accepted at the time.

Mr. Knight: Mr. Speaker, may I ask a supplementary question? May I take it then that the report is not true that these people will be evicted on Tuesday unless the conditions put to them have been fulfilled, namely payment?

Mr. Pinard: As I have already said, the conditions offered by Central Mortgage and Housing Corporation and the union are the same as those which were offered previously and it is hoped that these conditions will be met.

DEFENCE PRODUCTION

INQUIRY AS TO PRODUCTION OF 25-POUNDER SHELLS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Defence Production. Can the minister advise if Canadian Arsenals Limited or any other firm in Canada is manufacturing 25-pounder ammunition?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I should like to take that question as notice. I am under the impression that our lines on 25-pounder ammunition are closed, but I should like to check.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

The house resumed, from Friday, January 27, consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

> That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Mr. Bryson: Mr. Chairman, during the course of this debate I have attempted to point out a few of the many reasons why this legislation should not be passed. In conclusion I should like to summarize those points which I attempted to make when I last spoke in this debate. Before I do so,

however, may I refer for a few moments to what must surely have seemed like an extremely humorous incident involving the hon. member for Rosthern (Mr. Tucker) and a Manitoba farmer's reaction to this legislation. I mention this matter only because of the fact that it has some significance. As far as I am concerned, this man's feelings were quite understandable. I imagine that since last fall he was completely incensed at the injustice of the situation and became further incensed at the proposition the government is putting forth in the form of bank loans to cure that particular situation. So all winter long this man nursed this great and burning sense of wrong. Then, almost at the breaking point, he had the great misfortune of seeing on television the hon. member for Rosthern in an extremely clumsy attempt to justify the government's bank loan legislation. I can imagine with what demon-like glee he reached for his shotgun and in one reckless moment had his revenge, satisfied at last that he had gained some kind of wild justice. I think that all of us in the opposition should take up a collection and buy for this, shall I say, rather impetuous gentleman a new television receiver as a token of our appreciation of his having brought to the attention of this house in a dramatic way what surely must be the inner feelings of the majority of western farmers. As far as the hon. member for Rosthern is concerned, he can take cold comfort from the fact that it was only a television show.

The producers are opposed to this legislation because they see in it an attempt to exact a penalty for the production of food. In other words, they feel that they are being victimized because of the fact that this government has failed to bring in a realistic agricultural policy that would be geared to distribution, not only on the domestic front but in the export market, with respect to the agricultural products that have been produced in this country. The farmers repudiate this legislation on the ground that it did not work in 1951. In the light of present-day conditions they see in it an indication of its utter uselessness, in view of the unfortunate experience in 1951. As to the $1,500 as a maximum loan, they see that as a delusion.

It is just a piece of bait that is being dangled under the noses of western farmers. I suggest to the government that when they attempt this sort of thing on future occasions they should keep in mind the old adage, when you bait a mousetrap be sure to leave room for the mouse. If these are not enough valid reasons why this legislation should be rejected, then I suggest to hon. members that the arguments put forward by the Minister of Trade and Commerce are in themselves the best reason why it should be rejected. To imply, as the minister did, that all those who oppose the legislation do so with the express desire of getting rid of the wheat board—mind you, that opposition includes the western pools, the farm union organizations, the federated co-operatives and many thousands of individual farmers—is a pretty weak argument.

The farmers feel that only by a realistic agricultural policy are they going to be able to obtain for themselves a standard of income comparable with that now being enjoyed by other industries in the country. I agree that farming, as was said by the Minister of Agriculture, is a way of life and it cannot be confused with any other kind of business. In other words, when no profit is forthcoming the farmer still stays in business. That is the difference, but I accuse the government of exploiting that fact to the very limit. The government knows that the farmer will stay in business in order to try to protect the investment of a lifetime even if he knows that at the end of the year he is only going to get the meanest of wages for his work. The government knows the farmer will carry on until he goes under in order to protect that investment.

If every farmer stopped producing because his farming operations were not showing a profit today it would mean chaos for the Canadian economy and starvation for most of our people. Yet if the government allows the farmer to go under because they fail to introduce a comprehensive agricultural policy that will put some stability under the industry the whole economy will be dragged down. The most expensive gesture any government can make, and apparently it is the expensive gesture this government is making, is to believe that our prosperity rests on the manipulations that take place on the stock exchange rather than believing, as they should, that our prosperity rests on the broad base of our land resources. To think otherwise is a fallacy and one that can only end in disaster.

Mr. Diefenbaker: Mr. Chairman, I rise to make a few remarks with regard to this question, interest in which, in the prairie provinces, has never been exceeded by any other political issue. Indeed, as we read last evening of the near tragedy that might have been suffered by the hon. member for Rosthern, some indication of the feelings of the western farmers and people in general was shown thereby. Indeed, the fact that this incident took place during the course of a debate in

which the hon. member for Acadia, the hon. member for Assiniboia and myself were also participating might have placed us in a very disagreeable position if anything had happened because we might very well have found ourselves in the position, to use a legal expression, of having been accessaries before the fact.

Mr. McCann: It is reported now that you were the one involved.

Mr. Diefenbaker: My hon. friend should not be interrupting after the "McCanntics" of last summer. What I want to speak about is the general reaction in western Canada to this legislation. Meetings took place in various cities and towns. There was a suggestion by the Minister of Trade and Commerce (Mr. Howe) that I had had something to do with convening the meeting in Prince Albert. Let me say that statement bore about as much resemblance to the truth as some other statements the minister made. As a matter of fact, three of four days before that meeting was convened by representatives of the farmers union, the board of trade and the Prince Albert chamber of commerce, business representatives such as the retail merchants association, I was invited to speak. The total length of time I spoke in a meeting of some three hours in extent represented not more than 10 minutes. Indeed, one of the outstanding Liberal supporters and a very fine gentleman named Mr. James McCarter who I believe is one of the senior members of the Prince Albert Liberal executive, came out strongly in support of the only means whereby anything could be done on behalf of the western farmer, a system of advances on farm stored wheat.

Now, for the life of me I cannot understand the attitude of the government. All kinds of explanations have been given as to why the farmers should not be entitled to this. The first position that was taken was that it could not be done because the elevator agents would not be able to do it. Today the elevator agents are responsible for the collection of whatever moneys are lent by the banks. The farmers in the western provinces find themselves in this position, and I think the analogy is a fair one. What would any labouring man do if, working for a concern, he found himself in a position when he came to collect his wages where the employer would say, "Well, we have not sold the raw products yet. We will guarantee your loan at the bank. We are the only source of payment but we cannot pay you now. You go to the bank and borrow and we will guarantee, up to a certain extent, the repayment of that loan." That is the position in which the farmer finds himself under this legislation, substituting one debt for another, substituting a series of debts for one united debt.

So far as this legislation is concerned, it had its birth in a series of statements made by various ministers. Tracing something of the history of this legislation, we find the first notice we had was when Mr. McDonald, the leader of the Liberal party in Saskatchewan and an estimable gentleman, realizing that the situation was serious, made a pilgrimage to Ottawa. He said his plan was a secret, but it would be revealed to the Prime Minister (Mr. St. Laurent) and to the members of the cabinet who were particularly concerned with the marketing of wheat. He went and he carried that secret in his soul. He revealed it to the cabinet. Two or three days later he was able to return to Saskatchewan and say, in effect, "Eureka, I have got it."

Well, it was the old, old loan scheme of 1951, decorated up a little, polished over and reburnished. This scheme did not work, as the Minister of Trade and Commerce has so often said. Now, when the first announcement was made that the loan scheme was going to be the one, Mr. McDonald, with true powers of statesmanlike perception, said, "This thing will be just as helpful as a stirrup pump against a forest fire." Today the stirrup pump has become the cornerstone of government policy.

Now, apparently the Minister of Agriculture did not know what government policy was on October 24, for in Winnipeg on that date—

Mr. Gardiner: I just said you did not know.

Mr. Diefenbaker: I did not know because it was a secret carried to the cabinet. Cabinet secrets are not divulgeable at all, under any circumstances. The minister was speaking to the Manitoba young Liberals' association, and this is the press report of what he said:

> Agricultural Minister J. G. Gardiner hit back Saturday at critics of the federal plan to aid cash-short western farmers, branding the criticism as "premature" and based on speculation rather than facts.

Speculation was that the Minister of Trade and Commerce was going to bring in a system of loans. According to one report the right hon. gentleman declared that he believed that cash advances from the wheat board might even be combined with bank loans.

Well, that apparently was his view at that time.

Mr. Gardiner: I never said any such thing.

Mr. Diefenbaker: I never heard of a minister who was so completely misquoted.

Mr. Gardiner: There are members in this house who heard what I said and they will agree that I did not say any such thing, no matter what is in the press.

Mr. Diefenbaker: I am reading from the record, Mr. Chairman, and there has been no denial at any time except when it becomes convenient to deny a statement made that should not have been made. This was reported in the *Free Press* and Winnipeg *Tribune*. The minister says there are some here who heard. They may have heard but apparently they did not understand.

Mr. Gardiner: They understood.

Mr. Diefenbaker: Now, the new scheme that was finally evolved was this loan scheme. Now, what kind of scheme is this? What is the purpose of it? The people in western Canada are aroused. The farmers are annoyed at this time. The only western people who are in favour of it so far as I am able to ascertain, and I have spoken with a great many, are those who are bound to this government. The wheat pool in Saskatchewan came out in favour of cash advances. The hon. member for Rosthern (Mr. Tucker) sent a resolution from his association and the other day, amidst what *Hansard* records as a considerable clatter, he endeavoured to distinguish between an advance and a loan, much to his own discomfiture.

Now, sir, what is this scheme? What is this loan scheme? Well, the doctors have what they call a placebo. It is an inactive medicine prescribed to quieten a patient, to neutralize opposition. It is a harmless substance given to soothe a patient's anxiety rather than as a remedy. It is a preparation given to silence or temporarily satisfy a patient. It is something intended to soothe. This is the government's placebo, but it has not done what it was intended to do, to soothe the aroused feelings of western farmers.

What information have we regarding the success or failure of this plan? I cannot understand answers like these. They seem to emanate generally from the Department of Trade and Commerce. I asked a simple question. It is answered as No. 12. The questions were:

1. How many bank loans on farm-stored grain subject to government guarantees have been applied for in each province, week by week, since the inception of the plan in November last?
2. Of the said applications, how many have been turned down or refused?
3. What is the total amount loaned in each province to date?

Grain

The answer to questions 1 and 2 is as follows:

As applications are made to chartered banks, the government has no record of the number of loans applied for and the number turned down or refused.

Up to November 30 the loans under this scheme amounted to $2,500,000.

Up to November 30, Mr. Chairman; why did we not get the information up to December 30 or up to January 15? Why is it that the information given the other day was so restrictive and circumscribed? The reason is that this plan has been a total flop so far as the western farmer is concerned. It has not worked; it will not work. It is not supplying money to the western farmers. Farmers are being turned down by the banks on every hand when they do apply. If their normal credit is not sufficient, time after time they find themselves turned down. They are asked what the purpose is in securing the money, and if they give as the reason that they have in mind the payment of certain accounts, in many instances the answer immediately is: "That is not what this loan plan is for."

Mr. Howe (Port Arthur): Mr. Chairman, my hon. friend is making statements about the lending policy of the banks. I think he should prove his statement by specific instances. If the banks are doing that, they are violating the agreement with the government. I do not believe my hon. friend knows many farmers. He talks for the city.

Mr. Diefenbaker: Mr. Chairman, I am making this statement in this house as a responsible member responsible to the people.

Mr. Howe (Port Arthur): In very vague terms.

Mr. Diefenbaker: I have example after example. Let me make it clearer. Your scheme is a complete flop.

Mr. Howe (Port Arthur): In your opinion. You did not understand it before.

Mr. Gardiner: Some people think you are a complete flop.

Mr. Diefenbaker: Since the Minister of Agriculture has spoken, let me give him one. I suppose he will deny this. He was explaining why the government had not acted, and he said: "The mills of the government grind slowly". It used to be the mills of the gods.

Mr. Gardiner: As a matter of fact, if I made the statement that is what I would have said.

Mr. Diefenbaker: Does the government say today these two terms are synonymous? Sometimes we agree, Mr. Chairman.

Grain

I now want to deal particularly with one of the major reasons why the farmer is not getting funds.

Mr. Howe (Port Arthur): You would not know why he is not.

Mr. Diefenbaker: These are the types of interruptions that indicate the attitude of the minister to the western farmer.

Let me deal with some of the records in so far as the marketings are concerned. Here are the actual figures that cannot be contradicted. I am going to deal first with marketings in the prairie provinces. Let me compare 1954-55 with 1955-56, up to December 8. In the latter year 50 million fewer bushels were marketed in that period than there were a year ago, and it has been getting worse. The minister said things are improving. Up to January 19 the marketings in the prairie provinces were 75·6 million bushels fewer than they were a year ago. In other words, the total prairie marketings of grain have steadily declined right from the beginning of the crop season, from August 1, down to the present day.

Mr. Howe (Port Arthur): Why was that?

Mr. Diefenbaker: I will come to that in a moment. It was because of the department's failure, firstly, to provide through the controller the necessary freight cars that were available for the purpose. I have the actual statistics now. The minister gave us the figures the other day, but I do not know where he got them. They certainly did not come from the wheat board.

Let us take a look at lakehead stocks. Up to December 8, 1955, as compared with the preceding year, the lakehead stocks were down by 1·9 million bushels. Up to December 14 they had decreased by 9·9 million bushels; up to December 29, they had decreased by 15·3 million bushels; up to January 5, they had decreased by 20·3 million bushels; and up to January 19, by 21·1 million bushels. Lakehead stocks have continued to decrease steadily during the past several months.

Mr. Howe (Port Arthur): That is because wheat is being sold.

Mr. Diefenbaker: We will come to that in a second. That is the explanation at the moment, but I shall show shortly what the explanation is.

I now turn to millions of bushels in country elevators. On December 7, 1955-56, there were 23·8 million more bushels of wheat in country elevators than a year ago. That has been reduced. Up to January 19, it had been reduced to 12·9 million.

We now come to the shipments from country elevators. For the week of December 9 we find the shipments were fewer by 3·9 million bushels. That situation was accelerated, until December 28, when shipments amounted to 5·1 million bushels fewer than the preceding year.

The minister mentioned that that situation had been somewhat improved, and very considerably improved lately. Because these facts and figures are unchallengeable I am going to say immediately that up to January 19 of that week there was an improvement. There were 500,000 fewer bushels of wheat in country elevators in 1956 than in 1955.

The cumulative shipments from country elevators are very interesting. Up to December 7, 1955-56, the total number of bushels of wheat shipped from country elevators amounted to 141·7 million bushels. In the previous year the figure was 212·2 million bushels. In other words, the cumulative shipments from country elevators were 71·5 million bushels fewer. What is the position today? On January 19 they had increased. The cumulative shipments from the beginning of the season this year to January 19 amounted to 188·8 million bushels, as compared with 274·6 million a year ago, or 85·8 million fewer. There is your picture. If the farmers had been able to market the same amount of wheat, if the storage facilities had been used —and I emphasize that—if cars had been made available as they should have been, there would have been an improvement. You say the weather had something to do with it. The weather had nothing to do with cars being made available to remove the wheat that was in the elevators in the province of Saskatchewan, or in the line elevators of Alberta or Manitoba.

What about car unloadings? This tells a story of somnolence on the part of the government. Up to December 8, 1954-55, 67,791 cars were unloaded at the lakehead. This year it was only 45,537 or 22,200 less but it got worse week by week since that time and on December 14 for that week there were 24,482 less cars unloaded than the year before. On December 28 there were 27,869 less cars unloaded at the lakehead than a year before. January 25, 29,656 less; and January 19, 30,106 less than a year ago. In other words car unloadings are far below last year's approximately 35 per cent.

The daily average tells a story. The daily average during December and in successive weeks was 201 less than a year ago, 210 less than a year ago, 218 less than a year ago, 219 less than a year ago and up to January 19 it was 203 less per day than a year ago. In other words, we are placed in

a position where car unloadings have fallen to unequalled depths as compared with a year ago.

The other day the Minister of Trade and Commerce said that we have increased the number. The average for the last week of January was 867, as I remember it. That is all to the good, but what does that show? I have averaged this out and the average indicates that, even making allowance for what has taken place during the last week of January, this year 31,000 less cars of wheat have been unloaded than a year ago since the beginning of the crop year.

Mr. Howe (Port Arthur): Is my hon. friend just now analysing the situation and discovering that Canada is short of box cars? I announced that three months ago.

Mr. Diefenbaker: We will come to the question of box cars. I have some statistics from the dominion bureau of statistics indicating that every industry in Canada has had an increase in box cars, but as far as western farmers are concerned there was a tremendous decrease of approximately 35,700 up to January 19. Where has the controller been? He has been away on vacation at a time when a most serious situation faces the western farmers. I say that this reveals a collapse in organization. It indicates that not sufficient attention has been paid to providing cars to the western farmer.

There was space available. I have figures concerning the availability of terminal space. The hon. gentleman said we were all wrong in assuming that there was 100 million bushels of terminal space available. I have taken the rated capacity of the elevators across the country in British Columbia, the prairies, the lakehead and in eastern Canada. Deducting that rated capacity of from 10 per cent to 12 per cent in order to provide for the effective working capacity, accepting the figures which appeared in the wheat board returns, there was available in the month of January at least 95 to 97 million bushels of space that just lay there because of the failure of the government to act in regard to the provision of cars.

I shall read what the Regina *Leader-Post* said with regard to that on December 27, 1955:

> Empty terminal space worthless—
>
> Clearing space in the lakehead and Pacific grain terminals for approximately 97,000,000 bushels of prairie grain should be cheering news for prairie farmers. Deducting the 38,000,000 bushels in transit, this would leave room for approximately 60,000,000 more bushels. If utilized for wheat, this would put something like $85,000,000 more cash into the prairie farmers' pockets. But it will do no good if it stays empty while country elevators remain clogged so that farmers are unable to deliver their grain.

Grain

> The fact that within a few weeks, this space has developed to the extent it has indicates a grave weakness in our grain handling system. Reports attribute it to a shortage of cars for shipping grain.
>
> The situation smacks at the best of a lack of foresight on the part of those who are in charge of grain handling. At the worst, it has the earmarks of ignoring the prairies and the plight of its farmers who are hard pressed to maintain their families and their operations on the proceeds of the sale of their wheat plus what they are able to borrow from the banks at five per cent interest.

Then it goes on to say this:

> Mr. Howe said in Edmonton a few days ago that he had made it plain to the railway companies that there is no higher priority than box cars for grain. Obviously, he did not make this sufficiently plain to get results. This oversight should be rectified immediately.

Here are the two positions which indicate what happens when governments are long in power and when those in charge of departments develop an infallibility belief. There was storage available to the extent of from 90 to 100 million bushels.

I have the record for freight cars indicating that practically every other type of industry has had a tremendous increase in the number of freight cars available to it. Why should the western provinces have been placed in the position, in this regard, of being a depressed area in an otherwise expanding economy? Those are the things in relation to which we have a right to ask what is being done. Why did the controller not act?

I mentioned that I would give certain figures from the dominion bureau of statistics published on January 11, 1956. These figures tell their own story. Loadings in the year 1955 were as follows: Grain, 1955, 333,233 cars; 1954, 364,160 cars. Grain products, 1955, 130,902; 1954, 134,900. Then you take the other elements within the economy and you find tremendous increases in the number of cars made available.

What has happened, Mr. Chairman, has placed the government in the position where they now run for cover and they intimate that anyone who criticizes the situation is thereby inimical to the wheat board. As far as I am concerned I still remember that it was the Conservatives who set up the wheat board and I remember it was the Liberals who set it aside in 1937 and did not restore it until 1942 when they brought it in in order to keep the price of wheat down. Those things I remember—

Mr. Gardiner: Your memory is bad.

Mr. Howe (Port Arthur): Very faulty indeed.

Mr. Diefenbaker: As far as the wheat board is concerned, a statement was made

the other day in my absence by my hon. friend from Provencher (Mr. Jutras) which I must refer to. That statement was to the effect that my attitude was at fault and the hon. member for Prince Albert would fire the wheat board overnight without batting an eye. Mr. Chairman, that statement does not have the degree of truthfulness for which my hon. friend has established such an enviable reputation. That statement bears no relationship to the facts. When I spoke about the wheat board I asked the question, which is not yet answered: why is it that the members of the wheat board said they would not stay on the job if cash advances were provided for? We have not yet had an answer to that question. I asked for the letters that were received. I wonder if they take that attitude. As far as I am concerned the wheat board must remain inviolate and it must stay, but we have a right to ask that the government's tinkering with the wheat board be discontinued.

Mr. Smith (Battle River-Camrose): Mr. Chairman, during the course of the debate last Friday I obtained the idea in some way or another that it was thought to be highly dangerous if members of the opposition group continued to prolong this debate. It was indicated that by doing so we would do more harm than good. I cannot follow that kind of reasoning because it is my opinion that members of this house should be permitted to express themselves freely at all times on any matter that concerns them. This particular question before us surely is of great concern to all hon. members of the house because it deals with the basic roots of the greatest industry in Canada.

It was intimated last Friday as well that if this debate were to continue much longer the farmers of western Canada might panic. I have lived with the farmers of western Canada all my life and I know that they do not panic. Yesterday a newspaper contained a picture of an hon. member with a few comments about the use of a shotgun. I can assure the hon. member for Rosthern (Mr. Tucker) that he or any other hon. member can come out to my constituency and no shotguns will be used. The Minister of Trade and Commerce is fully aware of the fact that the farmers of Alberta can shoot some pretty warm questions when they are concerned. He experienced it at the farmers' union meeting at the Alberta college auditorium in December last year when for 90 minutes the delegates peppered him with questions to which they received answers which did not satisfy them.

Our farmers are used to being treated roughly, as apparently that is their lot in Canadian society. On Friday the old reciprocity issue of 1911 was dragged across the floor of this house. I thought that skeleton was buried long ago. The farmers of the west were able to get through the days of the depression even though they were on an almost starvation level. They came through the war period. They are true Canadians and they will stick to their guns even though they are not getting what the national economy should provide.

However, they have learned a few lessons throughout the years. They have learned one lesson in particular, that it is only through organized efforts that they have been able to get the few advantages they have obtained.

Some mention has been made of the wheat board, and that we on this side of the house are opposed to the wheat board. I submit that that statement is far from the truth. We have always supported the wheat board and will continue to support it as the years go by. Through their co-operative organizations, through the wheat pools, the united grain growers, the farmers' unions in the three western provinces, our farmers are now presenting a united front which I hope will continue to grow stronger and stronger as the years go by.

The farmers in my area are definitely opposed to the $1,500 5 per cent guaranteed bank loan. They do not like it and I do not believe there are many of them using it. I know for a fact that a few have tried to obtain loans but were refused. I am thinking in terms of a young farmer who applied for the $1,500 bank loan but was refused. Why? He was refused because he had an outstanding debt of $1,600 on a combine, $800 payable this fall and the other $800 payable next fall. His only other debt, besides his store and fuel bills and so on, was a $300 breaking bill. That young man wanted to establish himself as a good farmer but he was unable to get a loan.

Mr. Howe (Port Arthur): Is it not true that his grain was pledged under section 88 of the Bank Act in connection with his other loans?

Mr. Smith (Battle River-Camrose): This young man had 5,000 bushels of wheat. What is the history of this so-called bank loan as known to the people down here? We know the history as it has been related to us many times. I have been quite concerned when in the corridors of this building I hear from hon. members who are not directly associated with wheat growing that they are getting sick and tired of hearing about the wheat problem. I can only say that I hope they get so sick

and tired of listening to the details of that problem that they will get behind us and support us. The Edmonton *Journal* of October 19, 1955, contained the following statement as a result of an interview with the Prime Minister:

> The cabinet spent the morning discussing the urgent need of getting some cash into the hands of prairie farmers who hold heavy stocks of grain on their farms.

And again:

> He brushed off questions about cash advances for farm-held grain, saying Mr. Howe will make the announcement.

The Minister of Trade and Commerce finally made the announcement of a $1,500 guaranteed bank loan to the farmers of the west. Following that announcement a wave of protest swept through Alberta, Saskatchewan and Manitoba. Protest meetings were called, not by politicians or big businessmen but by farmers, the little fellows on a quarter or half section of land. They got together and protested and they are still protesting about these bank loans. The following statement which appeared in the Edmonton *Journal* of November 30 seems significant to me:

> Ottawa. The federal government is guaranteeing the chartered banks against any foreseeable loss on their wheat loans to western farmers but it is also making assurance doubly sure that there won't be any loss to the treasury.

There seems to be great concern on the part of the federal government that the chartered banks shall not lose any money or that the federal government itself shall not lose any money, but what about the farmers of the west. When they take out a loan they are faced immediately with a 5 per cent reduction in the amount of the income they should receive. The article goes on:

> The only thing that will save Mr. Howe from a repetition of last year's defence production bill filibuster is the fact that by the time parliament gets its hands on the issue it will be a fait accompli.

I submit that the issue of surplus wheat disposal, was critical enough last fall to have justified the government in calling a special session of parliament so that this issue could have been fully discussed before it was a fait accompli. In the same statement the following appeared:

> The elevator officials—the agents—will make out two payment tickets.

Still we are told in this house that the elevator officials are not capable of doing that in the case of cash advances. This surplus problem is not a new one; it has been with us for years. It became of great concern toward the end of the last crop year. Throughout the early fall the farmers were wondering how they were going to market their wheat so that they could pay their bills and so on. Through the press we had statements which were issued by the Minister of Trade and Commerce. He blamed all sorts of things for the surplus. He blamed better European crops, scarce ocean shipping and United States surplus disposal methods. He is now blaming the box car situation, the weather and so on. I should like to suggest, Mr. Chairman, that he lay the blame where it belongs, namely on the operation of his own department.

Let us go back to the shortage of box cars. May I ask this question, Mr. Chairman? Who owns the Canadian National Railways, other than the people of Canada? Who subsidizes the Canadian Pacific Railway other than the people of Canada? Surely we should, as a group of people, have something to say about the directing of box cars to where they are needed.

It has already been pointed out by the hon. member for Prince Albert that box cars are apparently plentiful for other branches of industry in Canada, but certainly they are not plentiful so far as agriculture is concerned. Last fall the farmers of my area were permitted to market—if they could find space in the elevators—300 bushels of grain. The income from 300 bushels of grain was certainly not enough to meet the day by day expenses incurred by the farmers of the west, such as fuel bills. I can well recall one farmer showing me a cheque for $413 and, at the same time, a fuel bill for $456. That was a fuel bill only. Grocery bills are unpaid. Taxes to municipal governments and so on were not paid before the last day of discount or are not paid at all. I know of one well-established farmer who, for the first time in his 25 years on the farm, was this year unable to pay his taxes. This situation affects not only the farmers, Mr. Chairman, but it is having its effect in every small community in my part of the province. Its influence is being felt, I submit, even right down here in the east. There is not one small town or village in Alberta through which you can travel and not notice stored up on vacant lots or other places combines and farm equipment of all types which have not been sold. If you go into hardware stores which had been expecting to sell deep-freezes, and other equipment that is badly needed by the farmers in the west, you find it is still there in the stores. The farmers have no money with which to buy it.

Mr. Johnson (Kindersley): The government is in a mental deep freeze.

Mr. Smith (Battle River-Camrose): Much has been said, Mr. Chairman, about some of

the so-called fantastic schemes by which this situation might be cured, such as the adoption of a two-price system by this government, the use of the barter system and so on. May I ask this question, Mr. Chairman? Which is the more fantastic: to attempt some of the schemes used by other respectable nations in this world and get rid of our grain, or to stay away from these so-called fantastic schemes and to see millions of bushels of wheat on the farms of western Canada while at the same time millions of people are starving throughout the world?

I should like to submit, Mr. Chairman, that in the United States of America the farmers are offered $2.08 a bushel for wheat. What does the United States do with this wheat? It gives special deals to importers backed by the federal treasury. In the Argentine the price is $2.72 a bushel; Argentine offers special deals to the importers and accepts barter deals. In France the price is $2.64 per bushel, and the two-price system is used. In Canada the price is $1.40 a bushel. The farmers in Canada are still forced to follow that so-called old system of rugged individualism in this modern age. Australia accepts sterling. I am suggesting that it will not be too long before we in Canada as well are forced to accept sterling.

It has been suggested that the farmers of the west do not want cash advances. May I say that the farmers of the west have asked for cash advances. The Farmers' Union of Alberta in convention early in December passed the following resolution:

> Cash advances on farm-stored grain after inspection as to quantities, grade, and condition of storage facilities.

For the life of me, Mr. Chairman, I cannot see why the government is so reluctant to grant this request for cash advances. That is something I just do not understand. However, I know that the $1,500 bank loan will not be used to any great extent. It will certainly not be used by the people, the younger farmers, who actually need it because the banks will not give them the loan without banker's security.

I have before me this resolution. It is a modern one, and I can produce others as well. It was passed by the Farmers' Union of Alberta local in my territory, and it reads as follows:

> Resolved that this meeting go on record as being dissatisfied with the federal government's policy on guaranteed bank loans on farm-stored grain. We regard it as completely inadequate and unrealistic in view of the economic situation of the western farmer.

At this particular meeting 72 farmers travelled to a centre over roads that were practically impassable. They are concerned and they are determined that something must be done.

In closing, Mr. Chairman, may I say this. Instead of trying to spend our time in debating something that has already been accomplished—by so doing we are not going to change the course of history—I feel that we should adopt another course. Parliament did not ask for the $1,500 loan. It was the Minister of Trade and Commerce who did that. What has been done is done. There is nothing we can do about it but cry. Instead of wasting our time doing this, I suggest that the Minister of Trade and Commerce should bring forth immediately a definite, long-term policy regarding the marketing of wheat so that we could sit here as a group of legislators and discuss it.

Mr. Coldwell: Mr. Chairman, I am not rising to prolong the debate. I am rising to put forward, as briefly as I can, the position that I think most of us on this side of the house take in relation to the proposal now before us with regard to bank loans. I want to say categorically that my understanding of the position of the western farm organizations is that they regard this bank loan legislation not only as being ineffective but as legislation which discriminates against the wheat producer.

After the tremendous barrage of criticism made by the official opposition, and in particular by the hon. member for Prince Albert this morning, in respect of this legislation, I suggest that they should do what I intend to do as an effective protest, namely vote against this measure when it comes to a vote in this chamber.

The other day the Minister of Trade and Commerce made certain statements. I cannot quote them from the record, Mr. Chairman, because they were made in the debate on the address in reply to the speech from the throne. However, he said something like this. He said that recently there has been a drive for advances on farm-stored grain. Then he went on to say that the suggestion had been made that three-quarters of the value of the grain be advanced by the wheat board. He stated that many hon. members might think that this inspiration came from the farmers but that the fact was nothing of the kind, that it came from the cities. Then he went on to ask who were its supporters and said that its supporters were the enemies of the wheat board method of marketing. I have summarized what he said, but it can be found at page 127 of *Hansard* of January 16. I want to say to the house and to the hon. gentleman that if any group in the house should be ashamed of its record in connection

with the wheat board it is the Liberal party and the Liberal government.

I have a long memory and vivid recollections. There was only one Liberal member elected in the province of Saskatchewan in 1921, and that one Liberal member was the late Hon. W. R. Motherwell. I remember seeing the hoardings plastered with signs and a big sign stretching across the main street of the city of Regina saying: "Vote for Motherwell and the wheat board." At that time I was a member of the old Progressive movement which I supported until the movement disintegrated. I remember the fight for the wheat board all through those years. I remember how the wheat board came into being in the 1930's. I remember that in June of 1935 one of the very last acts of the Liberal representative on the committee discussing the wheat board legislation, the late Colonel Ralston, for whom I have a very high regard, was to move a resoution providing for the winding up of the wheat board within one year.

I came to this house in 1935 and the very first speech I made in the house was in criticism of the government's action in relation to the wheat board, the dismissal of John I. McFarland and the appointment of a new chairman of the board who was president of one of the line companies which had been so closely connected with the agitation against the wheat board. I have vivid recollections of all of this but I have a more vivid recollection of an event in the house in June of 1938 involving one of the men—I was going to say "the" man and I do not think I would be very far out, the man who perhaps more than any other except the late Ed Partridge of Sintaluta was responsible for the establishing of the old grain growers organization in the province of Saskatchewan in the early part of this century.

I refer to the Hon. W. R. Motherwell. I can see the Hon. W. R. Motherwell in my mind now standing before his desk in the front benches of the Liberal party. I remember what the Hon. W. R. Motherwell said then about an order in council that had been passed and which was designed to discontinue the operations of the wheat board as laid down in the legislation. I am going to quote what the Hon. W. R. Motherwell said on that occasion, and it can be found at page 4446 of *Hansard* of June 30, 1938. He was discussing the order in council setting aside the wheat board as the legislation had created it and he had this to say:

> . . . that while the present government was joint father of the Wheat Board Act, it has committed infanticide or at least has mutilated the foster child to such a degree that it might as well be dead. This act is simply an ornament on our statute books.

Those were the words of W. R. Motherwell, a former Liberal minister of agriculture, not my words, and I remember the circumstances very distinctly. Then he went on to speak of his own experience shortly before and said this:

> I first heard about it—
>
> The order in council.
>
> —on a Saturday night and I refused to believe it. I thought it was some fool report across the wires such as we sometimes get, some mistake; and it was not until Monday morning that I discovered, when I went to deliver my wheat to the pool elevator for the board, that I could not do it.

The order in council prevented the delivery of the wheat to the wheat board, as Mr. Motherwell testified. I do not suppose any man could have borne more eloquent and authoritative testimony to what the Liberal government had done to the wheat board in 1938. The Minister of Agriculture remembers those words of the late W. R. Motherwell. The order in council said that the wheat board was not to accept wheat from the farmers if the wheat had not fallen below 90 cents a bushel—

Mr. Gardiner: Yes.

Mr. Coldwell: —and the floor price that was set was 87½ cents.

Mr. Gardiner: Tell the reason.

Mr. Coldwell: You may be able to tell the reasons but I am quoting Mr. Motherwell and I remember perfectly well the Minister of Agriculture rising on occasion after occasion in the house and defending the grain exchange method of marketing.

Mr. Gardiner: Oh, no.

Mr. Coldwell: Hon. members who were in the house at the time, and I am sorry to say there are only a very few of us left, can remember it as vividly as I can.

Mr. Gardiner: Oh, no. My hon. friend should not quote unless he has *Hansard* here to prove it.

Mr. Coldwell: I have read *Hansard*. That is what I am doing now. I am quoting *Hansard*. I am not quoting from memory. I am talking about what Mr. Motherwell said with regard to the government's and the minister's policies.

Mr. Gardiner: Do not mix it up with something I did not say.

Mr. Coldwell: I am not mixing something the hon. gentleman did not say. I have read the record right through, and not only that, I sat through the proceedings and have a very vivid memory.

Mr. Gardiner: Would the hon. member permit me to correct him?

Mr. Coldwell: Certainly.

Mr. Gardiner: He is quite right in saying that at one time I supported the grain exchange method of marketing, but it was long before I came to this house.

Mr. Argue: You still do for rye and flax. You are only half converted.

Mr. Coldwell: I am very glad to hear the minister admit that some time he did support the grain exchange method of marketing.

Mr. Gardiner: That was long before I came to this house.

Mr. Coldwell: It was not until the necessities of wartime arose that the wheat board became really effective. At that time we had to market our grain nationally and through agreements with our customers. Then we got the wheat board method of marketing. So please do not let any member on the Liberal side of the house rise in his place and accuse those of us who have supported the wheat board method of marketing for the last 35 years of wanting to undermine and get rid of the wheat board. Do not let us have that. The record is too clear and too concise.

I did not want to go into the background of this matter this morning but I felt that somebody just had to put this statement of the Minister of Trade and Commerce right. I felt somebody should say to hon. members who want to know the whole story of the wheat board method of marketing: Go back into the records. Read the debates of 1935 to 1940, of 1941, 1942 and 1943. Read those debates. See from which side of the house support for the grain exchange method of marketing came. See from which side of the house support for the wheat board methoding of marketing came. Let us hear no more of the statement that certain of us who have supported the farmers' demand for the wheat board are now trying to undermine it.

I say to hon. members opposite and to the government that the farmers of the west are incensed. I am not going to bring in any extraneous happenings in Manitoba, but the farmers of the west are incensed because of the policy the government has adopted and which it is trying to force upon the house and the country.

You may say to me, and quite rightly, what do you mean by advance payments on farm stored grain? About all I intended to do this morning was to say very precisely what I said last October and November when I was in my own constituency of Rosetown-Biggar and in western Canada. I am going to put as concisely as I can what we mean when we speak of advance payments on farm stored grain. What we mean is this. Parliament should authorize the wheat board to make a payment through the elevator companies, as is now being done, of 75 per cent of the initial price of farm stored grain. That is the first point.

The second point is this. The government should ask this parliament to appropriate funds for this purpose and provide those funds through the wheat board without interest, so that these payments could be made. Then, what would happen? The grain would become immediately the property of the government through the wheat board.

Mr. Howe (Port Arthur): No.

Mr. Coldwell: Parliament appropriates the money, the government provides it to the wheat board and payments are made on behalf of the wheat board to the elevator companies so that the wheat then becomes the property of the agent of the government and therefore it is in effect the property of the government.

Then, on what amount of grain should these advances be made? I make the suggestion to the minister that it should be determined by the anticipated quota for the current year. What do I mean by the "anticipated quota"? If the minister is optimistic and says we are going to market 12 bushels, then the quota would be 75 per cent of 12 bushels. If he says we are going to be as low as last year, 8 bushels, then the payment should be made on 75 per cent of the initial value of the 8 bushels. The elevator agent who took title on behalf of the purchasing authority could measure the bin and seal it if the government wish. But I am going to say this. I think the experience of the past will show that the western farmer is fundamentally honest, and not one in ten thousand would misuse the trust that would have been placed in him. The agreement then is made accepting the grain at the initial floor price.

On later delivery of the balance of the grain at the elevator itself, the other 25 per cent should be paid to the farmer. Of course, the usual participation certificates would be issued on the balance of payment as at now for presentation after disposition of the current crop by the wheat board. That is the policy. It is very simple and very sound, I think. I believe it is one that would be acceptable to the western farmers.

It would do two things. It would give him an advance payment on a quantity of

grain sufficient to tide him over until he could market the whole of his grain. It would also guarantee to him a floor price, the initial price being that floor. It seems to me that is so much less complicated than this business of guaranteeing the banks and the farmers paying 5 per cent interest. I cannot help making a contrast in my own mind. When powerful United States companies, who may build a pipeline, are able in effect to get an advance in the form of building a pipeline at 3½ per cent, I cannot understand the government charging the Canadian farmers 5 per cent. But that is not the point. The point is that we are determined that the representations of the farm population of the west should be made on this question of advance payments.

Mr. Howe (Port Arthur): Could I ask my hon. friend a question?

Mr. Coldwell: Yes.

Mr. Howe (Port Arthur): Would the grain elevator operator be expected to search the records and find out if there were prior commitments against the grain on which he was making an advance?

Mr. Coldwell: I do not think that is necessary. As a matter of fact, the hon. member for Battle River-Camrose (Mr. Smith) was challenged a few moments ago to ascertain if he knew that there was a lien of $800 against 5,000 bushels of grain. There is ample security there. I think that is merely a side issue for lawyers.

Mr. Diefenbaker: He could make an affidavit.

Mr. Coldwell: He could swear an affidavit. An affidavit is a legal document and a man making a false statement could be attacked in a court of law and dealt with severely.

Now, then, look at the house at the moment. Look at the Liberal side of the house. Look at the number who are interested in this particular problem. Look at the other side of the house. We will find out how many there are, Mr. Chairman. I move:

That the committee rise, report progress and ask leave to sit again.

Mr. Howe (Port Arthur): Mr. Chairman—

Mr. Coldwell: It is not debatable.

The Chairman: Would the hon. member be kind enough to send me a copy of his motion?

Mr. Coldwell: Yes.

Some hon. Members: Order, order.

The Chairman: May I remind hon. members that we are not sitting as the house but we are sitting in committee. While I am reading the question any hon. members who wish have the right to enter the house.

Motion (Mr. Coldwell) agreed to: Yeas, 46; nays, 36.

The Chairman: I declare the motion carried. Progress reported.

Mr. Deputy Speaker: When shall the committee have leave to sit again?

Mr. Howe (Port Arthur): Later this day.

Mr. Knowles: Next sitting of this house.

Mr. Deputy Speaker: Later this day?

Mr. Nicholson: Next sitting.

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure for the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

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

Mr. Howe (Port Arthur): Mr. Chairman, in form, this is a simple bill. In principle, it is of great importance. It is proposed that the government of Canada should assume carrying charges on stocks of wheat held by the wheat board in excess of 178 million bushels as of August 1, 1955 and that a similar obligation should be assumed by the government in each crop year until the board's stocks of wheat drop below 178 million bushels as of the first of the crop year. At that time, the legislation will lapse.

The purpose of the bill is to relieve the wheat board, and through the board, the wheat producer, from the burden of paying storage and interest costs on the abnormally large stocks which have accumulated in the hands of the board in recent years.

These excessive stocks have accumulated for one reason and one reason only—good rainfall on the prairies during the past 4 or 5 years. They are not due to excessive plantings of wheat. In fact, acreage is lower than

it was 25 years ago. They are not due to subsidization of wheat production in any form. Prairie wheat growers receive exactly the price realized on world markets for their wheat, less storage and other expenses of handling and marketing. Unlike wheat growers in so many countries of the world, they have not cost the taxpayers or consumers of this country a penny in recent years.

Nor have these excessive stocks accumulated because of poor sales. In fact, during the period of accumulation of present stocks, export and domestic sales have been at record levels.

The cause of excess stocks is simply and solely good, well-distributed rainfall which produced a series of remarkably big crops, including the largest and second largest in history.

To all intents and purposes, the Canadian elevator system was filled to capacity on August 1, 1955, the beginning of the present crop year. At that time the Canadian wheat board owned 395 million bushels of wheat. The elevator system is likely to continue to be filled to capacity on August 1 next as producers deliver grain now on farms to replace grain moving into consumption at home and abroad.

The wheat board, therefore, faces the prospect of having to carry very large stocks of wheat for some time to come. Under the wheat board system of grain marketing, all carrying costs are charged to the producer who receives the net proceeds of sale, that is, the sale price less all costs.

The impact of increasing carrying charges first affected wheat board operations in the administration of the 1953-54 pool account.

Could we have a little order, please, Mr. Chairman?

The Chairman: Order.

Mr. Howe (Port Arthur): Apparently these genial comedians across the way are not interested in wheat.

Mr. Ellis: How many members did you have in the house?

Mr. Howe (Port Arthur): How many have you listening to this speech?

Mr. Knowles: Put your temper in storage.

Mr. Howe (Port Arthur): I am going to have a few words to say about the opposition when I get through this more formal part of my remarks; make no mistake about that. I continue with my statement. This pool was under administration from August 1, 1953 to April 29, 1955. Carrying charges and interest came to 15·67 cents per bushel on the 398 million bushels of wheat delivered to the pool by producers. By way of comparison, if we look at the 1952-53 pool, the same items came to only 7·57 cents per bushel on producers' marketings of 533 million bushels.

The heavy carrying charges incurred in the 1953-54 pool would, of course, again be felt in the 1954-55 pool on which the board is still operating. In fact, it is estimated that the carrying charges incurred by the board in the administration of the 1954-55 pool might run close to 20 cents per bushel.

Under ordinary circumstances, there would, in my opinion, be no reason for the government and the general taxpayer to intervene to relieve the wheat board and the producer from any share of carrying costs. At the present time, however, I think there is a broad measure of agreement that it is in the interests not only of wheat producers, but of the country as a whole, that the wheat board should follow an orderly policy in disposing of its large holdings and not resort to panic methods of selling or giving-away. The experience of the 1930's is too fresh in the memories of all of us for anyone to suggest that attempts should be made to clear the shelves at any price. The frantic efforts to sell wheat in those years only produced price collapse. They did not sell any more wheat than could have been sold by orderly marketing. And extremely low wheat prices helped to aggravate and prolong the world depression of the early 1930's.

Aggressive but orderly selling is therefore in the national interest. If, however, the wheat board is faced with the burden of unusual and accumulating carrying costs for some time to come, it will be under the necessity of balancing price cuts against accumulating storage and interest costs. An assumption by the government of abnormal or excess carrying charges will therefore be a powerful aid to the principle of orderly marketing of wheat which this government supports.

This proposal may, therefore, be regarded as a contribution, and an essential contribution, to the stability of the wheat economy of the prairie provinces and an indirect contribution to the stability of the whole Canadian economy.

Over the period of 15 years prior to the harvesting of the large 1951 crop, average stocks of wheat in elevators at the end of each crop year was 178 million bushels. It seemed to the government that this was a fair gauge of normality. The 15-year period includes the low carryovers of the late 1930's, the high carryovers of the war years, and the low carryovers of the late 1940's.

The stocks of wheat on which the wheat board were paying carrying charges on

August 1, 1955 were 395 million bushels. Subtracting 178 million bushels, we arrive at a figure of 217 million bushels on which the government will assure the carrying charges during the present crop year. The charges themselves are in each case based on the last year's actual rates of storage and interest so that a figure may be arrived at immediately. The rates in effect on July 31, 1955 were equivalent to about 15 cents per bushel per annum. Therefore, the cost to the treasury this crop year will be about $32 million. What it will be in subsequent years will depend upon the level of board stocks, but it cannot go much above $32 million in any event because of the physical limits on storage capacity.

I believe that I have said sufficient to explain the government's reasons for introducing this legislation. The detail of the legislation itself, I believe, is self-explanatory.

The government has been urged to subsidize the western producer. It has been urged to subsidize exports and to resort to camouflaged forms of give-away. It has been urged to guarantee a minimum price considerably higher than the present initial prices.

The government has rejected all these proposals. It does not want to get into the business of subsidizing wheat production or exports as is being done in so many countries of the world, for this is the basic cause of the trouble in world wheat markets today.

The government does believe, however, that it is in the national interest that the treasury should help the producer over the present rough spot by carrying stocks in commercial storage above normal levels.

In due course, present wheat stocks owned by the board will begin to decline. When they fall to 178 million bushels, payments by the treasury will cease. If at some future time they should rise again above normal, it will be for the government and parliament to decide at that time whether there is any national responsibility. The present bill deals only with the situation now confronting the country and the wheat producer.

We have heard a great deal today and in recent days of what the opposition parties would do for the farmers were they in the position of the government. Well, now, there is a way of finding out what they would do. The surest way to find out what any man would do in a given situation is to find out what he did the last time he encountered this situation. We have a pattern set in the 1930's when the Conservative government came into office and encountered a similar surplus position. The government took office on the 7th of July, 1930. The price of wheat on that day was slightly over $1 a bushel—

Mr. Rowe: Mr. Chairman, may I ask the minister, was it not 92 cents?

Mr. Howe (Port Arthur): No, sir.

Mr. Rowe: It was within a week.

Mr. Howe (Port Arthur): It was one dollar and one-half cent on the Winnipeg grain exchange for No. 1 northern grain, Fort William, on July 7, 1930, and if the hon. member does not believe it he can look it up in the noon recess.

Mr. Rowe: I believe it because I was here. I would ask the minister, however, did it not drop to 55 cents before the end of that year?

Mr. Howe (Port Arthur): Yes.

Mr. Rowe: Who was to blame for that?

Mr. Howe (Port Arthur): Who was in power?

Mr. Rowe: Just for a month or two.

Mr. Howe (Port Arthur): You were in power from the 7th July—

Mr. Rowe: Until September—

Mr. Howe (Port Arthur): The price of wheat dropped from the day this government took office.

Mr. Rowe: How much did it drop the year before, from 1929 until then?

Mr. Diefenbaker: The election was on July 28 so we were not in power on July 7.

Mr. Rowe: Wrong again.

Mr. Howe (Port Arthur): I should have said August 8.

Mr. Diefenbaker: Oh yes.

Mr. Howe (Port Arthur): I am glad to be corrected.

Mr. Fleming: Another inaccuracy.

Mr. Rowe: You were not here.

Mr. Fleming: There will be a correction tomorrow.

Mr. Howe (Port Arthur): But I was interested in wheat.

Mr. Rowe: I will not interrupt you again.

Mr. Howe (Port Arthur): You can speak later.

Mr. Rowe: I should not have interrupted; you are in enough trouble.

Mr. Howe (Port Arthur): It is getting close to one o'clock.

Mr. Rowe: I am sorry, go ahead.

Mr. Howe (Port Arthur): As I say, the price of wheat on the day the Conservative government took office, which I recalled was July 7 but have been informed was August 8,—it was the beginning of a new crop year in any event—was one dollar and one-half cent, No. 1 northern grain, Fort William. The average of that crop year was only about 66 cents per bushel. The price of grain declined steadily until, after the government had been in power for two and a half years, it touched the low price of 39 cents per bushel in storage at Fort William for No. 1 northern wheat.

Well, the government was active. We have heard a great deal about the Bennett government instituting the wheat board. The wheat board was not in action at that time but the government was in the futures market attempting to stabilize the price of wheat, and the prices grew lower day by day until wheat dropped to the lowest price in history. That was a serious surplus situation and not too attractive a price. What did the government do for the people in the west? That is a most interesting story. Did they guarantee bank loans? No, not even for $1,500 per loan. They did nothing of that kind. Did they help the farmer with his carrying charges? No. However, I would not say they did nothing because they did do something—

Mr. Rowe: Thanks.

Mr. Howe (Port Arthur): There was quite a surplus of cheese down in what was then Tory Ontario and the government bought that cheese. Of course, the Ontario farmers had to be taken care of and not having any other place to put it the government distributed the cheese to the farmers in the west. The same thing was true of apples. There was also a surplus of apples down in Tory Ontario—

An hon. Member: What about cod fish?

Mr. Howe (Port Arthur): Yes, I am coming to cod fish. There was a surplus of cod fish down in the maritime provinces and that surplus was bought up and distributed to the farmers in the west. So when we hear the opposition talk about aid to the farmers and say that this government is being niggardly in this present surplus situation it is interesting to remember that the total aid the Conservative government gave to the farmers consisted of a few pounds of cheese, a few apples and a few dead fish. That is the whole story wrapped up in a package. I ask you to call it one o'clock, Mr. Chairman. I am not finished.

[Mr. Rowe.]

Mr. Coldwell: I should like to ask the minister one question—

The Chairman: Order.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Howe (Port Arthur): Mr. Chairman, before adjournment I had started to discuss the regime which was in power in this country from 1930 to 1935. There is much more I could say on that subject but as my time is limited I shall refer more particularly to Item No. 3. I may say that this method of assistance to farmers was decided upon only after I had attended the annual meetings of two of the three wheat pools, after I had discussed the situation with a great number of farmers, after I had attended a meeting of the farmers' union in Edmonton and after I had listened to a great number of proposals made by producers of wheat as to the best method of remedying a situation which was then and is now causing this government anxiety.

I have heard the suggestion that we should go on a two-price system, that we should charge the consumers of wheat in this country a higher price than we sell the same wheat for export. That proposal presents great difficulties. It would invite our customers abroad to ship their flour into this market and if we placed an embargo against their flour they would then say, "Why should we not put an embargo on against your wheat?" I should hate to make the decision that one section of the country should charge another section of the country a price which was higher than they would be willing to sell that wheat in any market except Canada.

Other proposals have been advanced from time to time, but after discussing the matter with the directors and senior men in the pools and a great number of members of the united farmers it was decided that the method of assistance provided in this bill would be the most appropriate and likely to be the most helpful that could be advanced for the purpose.

However, I think we should get back to business and I should like to move that the committee rise, report progress and ask leave to sit again this day.

Motion agreed to: Yeas, 109; nays, 11.

Progress reported.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

The house resumed consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Mr. Rowe: Mr. Chairman, the resolution before the committee is one of keen concern to everyone interested in agriculture in Canada, as well as those—and I know this would apply to all hon. members—who are interested in the economic prosperity of this dominion. I realize that there is some difference of opinion as to whether we should grant loans at 5 per cent to the farmers of western Canada or make cash advances on the wheat which they hold, wheat which the government in conjunction with the wheat board has failed to sell. I think that is quite a legitimate difference.

The right hon. Minister of Trade and Commerce has made a strong argument in favour of guaranteeing the banks when making loans at 5 per cent, but it struck me as being rather odd that the farmers should have to pay 5 per cent when many others are able to borrow money for less. It is believed by all sides in parliament today that cash payments to farmers are necessary. The point is, why are they necessary?

For some considerable time I have listened to extensive debates on agriculture, and especially on wheat. Wheat production is an important branch of Canadian agriculture. We have been proud for many years of our No. 1 hard wheat. In fact I sometimes think we have been almost too proud; we thought that the world could not get along without it. I can remember discussions about its importance, and I think that is admitted by all.

Today we find our surpluses mounting until there are actually mountains of wheat in Canada remaining unsold. At no other time in our history have we known of surpluses of the size we have now except during 1930, when they were the largest in the 20th century up to that time. It is unique that as the great party which sits to your right were getting ready to leave office in 1930 they left every elevator bursting with unsold wheat. Today at about the time they are getting ready to leave again, every elevator is filled with unsold wheat.

However, the minister has admitted that we have 100 million bushels of empty elevator space. As the hon. member for Prince Albert has pointed out, 100 million bushels of empty elevator space means that if that amount had been delivered to the elevators the farmers would have had $150 million more, and we would not need to be making either cash payments or loans at 5 per cent.

Mr. Chairman, I have listened in this house for a long time, for nearly as long as any other hon. member, and it is passing strange to find that even though we have a tremendous increase in the production of copper and all other primary products, the one primary product over the sale of which we have had difficulty down through the years with this government has been this golden asset of agriculture, Canadian No. 1 hard wheat. Perhaps there is a relationship, because I have not in all my time in this parliament ever seen a government so smugly satisfied with itself, so sure that there is some other reason that we are in difficulty rather than any shortcoming of the government.

The Minister of Trade and Commerce, with his characteristic optimism, says there is nothing wrong. He is more bullish than the greatest bulls on the market these days. He says there is nothing wrong. In fact he says he is rather happy about the situation. If we have too much wheat he says the reason is that it rained too much. The Minister of Agriculture sings "It ain't gonna rain no more" and says there will be no butter surplus because there will be no rain next year.

Mr. Chairman, I sometimes wonder how the farmers of Canada can get such satisfaction, comfort or hope when they observe the policies of this government. The Minister of Trade and Commerce told us the other day that we have been selling so much wheat that the transportation companies cannot get it away as fast as they are selling it. He has told us that we sold 90 million bushels more wheat a year in the last five years than we ever sold before. Yet on the other hand he says, "If the farmers want it we will give them something; we will make them pay 5 per cent on it, because they are so well off that otherwise they will buy victory bonds and we will have to pay interest ourselves." Is it any wonder that they are starting to shoot up the public monopoly of television?

The farmers of Canada are dissatisfied. They have been dissatisfied in the past, but they are more dissatisfied today. I could name

cabinet ministers who know very well that what I say is true, but I will not embarrass them because any row they have in their own constituencies is their own problem. We have been told that we have had many more shipments and that the shipments had been going out rapidly. The hon. member for Prince Albert this morning showed conclusively what has been happening in that regard in the last few years.

We listened to the Minister of Trade and Commerce the other day. Experience must be the charm of the ages, because even with his short experience the Minister of Trade and Commerce almost made me feel that these mountains of wheat in western Canada were disappearing just like snowdrifts in a spring thaw. He said it might be an asset when we want it. I remember last year how he, speaking for the wheat board, said we might not have any bins full of wheat in Canada; we were to have it all sold, and probably there would be no wheat. What was a problem in January was likely to be an asset before July. Then the other day he said we sold 90 million bushels of wheat more each year for the last five years, and the only real handicap they had was the panic that was caused throughout the world by what the Leader of the Opposition had said about wheat.

I had realized previously that the words of the Leader of the Opposition are beginning to ring true. I realize that more people in this country are beginning to have confidence that we have a vigorous and forward-looking leader who will be the next prime minister of Canada. But I did not realize before that his voice was so strong that it would carry over into Europe and destroy the markets. As a colleague of his I am going to speak to him and tell him to be careful, because I am a farmer. I will try to get him not to say anything that might disturb the market for wheat. I agree with his policies in so many regards that I would not want him to upset the world wheat market by something he might say at this particular time.

The hon. member for Prince Albert this morning laid down in his characteristically clear style the true picture in this country.

Some hon. Members: Oh, oh.

Mr. Rowe: The Minister of Trade and Commerce and the government have failed this house so often that I am not surprised that they now doubt themselves. If ever we saw a trail of contradictions, a trail of changes and signs of disunity, we saw it last week. I am not surprised that we find that situation prevailing on this important question. Despite what has been said, we know that deliveries from the farms in the 21 weeks from January 4 to January 16 were 65 per cent below what they were one year ago, and the deliveries or loadings overseas were 30 per cent less. How can the Minister of Trade and Commerce expect us or the wheat grower in western Canada to believe him when he builds up a picture, such as that which he built up the other day, when he says that the only trouble we have today is to find transportation to take the wheat away as fast as we are selling it, that we are selling more than we ever sold before. Then on the other side, on the same day we find him saying that we must find money to support these poor fellows in western Canada. We never before sold so much wheat for them, but they never needed money so badly.

An hon. Member: No wonder they shoot grits on television.

Mr. Rowe: I am glad they killed two. If they had killed one there would still be another.

Mr. Harris: And lots more, too.

Mr. Rowe: There will not be so many in your riding after the next election, despite your position down here. There is only one of you. You cannot afford to take that risk.

Mr. Harris: You can come over this year, as you did in former years.

Mr. Rowe: No. I never went there very much, because I had more important places to go. The Minister of Trade and Commerce tries to tell the house and the country that we have not a surplus that is at all dangerous. There is a great difference between the stocks in hand that the trader sees and the surplus that the politicians admit. Yet we have almost one billion bushels—almost one thousand million bushels—on hand and they tell us that is not dangerous.

If you are in power long enough to build a halo of smug complacency and optimism around you bigger than a balloon tire, then you can say that these little things like a billion bushels of wheat are of no more concern than "what's a million" in your financial statement. These are things that the people of this country are getting concerned about. These are the things that are disturbing the farmers across this dominion. Some of us do not grow as many acres of wheat, but we try to grow perhaps more bushels per acre. There is not a grain grower, a cattle feeder, a grain seller or a grain buyer in agriculture in Canada today who is satisfied with the way in which this government is bungling, befuddling and bewildering the whole picture. The Minister of Trade and Commerce suggests that the minister for Prince Albert—

Some hon. Members: Oh, oh.

Mr. Rowe: He will be a minister after the next election; don't worry about that. Maybe I am a little bit ahead of myself, but of one thing I am sure. When he is made a minister I hope he is ahead of the row I see in front of me now. He will stand out like a beacon light before these tired old men I see in front of me, these men who said we would not be able to find a cabinet or could not form a government. As was said two or three days ago, if I were to go out and shoot a gun down Sparks street, if I did not hit a television set I would still hit something that would match up well with the best you have in the front row. I have never seen a government so old and complacent, with such a lack of policy, so uncertain and indiscreet, as I see before me now. I do not want to embarrass them or I would ask some of them how they stand on certain issues. I would not want to embarrass the Minister of Justice but I could ask him some questions that would make him wish he were back in Minnedosa.

An hon. Member: Go ahead.

Mr. Rowe: Oh, if we can only get the transportation and it does not rain too much we will solve the whole problem. It will be a great thing to have wheat. The Minister of Agriculture said a few years ago that we might have to eat it, and if we got into a desperate situation in a world conflict we could eat nothing but wheat and live on it for a time. In fact I have listened to very little else in parliament for 30 years.

But, Mr. Chairman, amidst all these blunders, bluffs and boasts these new apostles of trade experiments have created a halo of mythology among the farmers all across the dominion. If there is any compliment coming to them I compliment them on that halo around their heads which, as I have said, is bigger than a balloon tire. But what has it meant in reality? I have listened and I am convinced that they think that if you are in power long enough you cannot be wrong. In their opinion they exemplify democracy at its best. How they smugly smile and laugh, wisecrack at the opposition and say, "All is well because we did it."

Going back to the days of the past, by what yardstick do these giants measure their greatness? What yardstick are you using? Are you considering varying world conditions? Are you considering the changing times through which we have gone? Are you considering the increased world population? Are you considering the increased world production of wheat? Are you considering that last year the world consumed 117 million more bushels of wheat, yet Canada had very little more than half the proportion of that wheat market that it had in the days of the Bennett government to which I belonged, and which the minister said sent abroad nothing but apples, cheese and so on.

I know what the western farmers will say today. They will say they have had nothing but applesauce for the last four years in western Canada. Yes, Mr. Chairman, where are these markets? What has this government done? I listened to the hon. member for Rosetown-Biggar this morning and I listened intently because, while I have not always been in full agreement with many of his policies, he is one of the outstanding debaters in the Canadian parliament. He put the matter so clearly that if you did not believe what he said all you had to do was to look at the Minister of Trade and Commerce and you would know it was true.

He remembers what happened in 1935. May I tell you, sir, that, coming from the same part of the country as you do, I remember distinctly what has happened since 1925. The hon. member for Rosetown-Biggar gave me a lead. I had not intended to do so today, but I should like to review some of our past history to see where the merit or demerit of these giants lies in retrospect and in relation to other governments that have gone before.

An hon. Member: 1930 to 1935.

Mr. Rowe: Yes, 1930 to 1935. You were not here and you have never heard anything about it from your side since then. That is why the future of your party is so hopeless. These tired old men are disappearing and you ciphers in the back are not learning well enough to be able to form a government. I am not hesitant at all, Mr. Chairman—

Mr. Dickey: No, you are not. That is right.

Mr. Rowe: —about reviewing the history of those years. No man knows better than the Minister of Trade and Commerce—

Mr. Harris: Hear, hear.

Mr. Rowe: —that I was in politics before he was. In fact I urged the people of Port Arthur to make him president of the Conservative association at that time. I know his friendship for the grain exchange. He was a Tory of the Tories in those days. As the hon. member for Rosetown-Biggar said, these people are not the champions of the wheat board, and why do they now try to parade themselves as such? Why, Mr. Chairman, it is utter nonsense. I can understand now why this mythology has grown. We are to blame because we have not told the people the truth enough. I am glad there are those still in parliament who can review the true history of what has gone on in this country.

I can well recall what Hon. Mr. Motherwell had to say, as was mentioned this morning. I can go back further than that, to 1927 and 1928, when I pointed out the dangers that were confronting us. I remember a member of the Liberal party telling me, "You know nothing about western Canada. I am telling you, Rowe, you will never see wheat below $2 a bushel again." I said that from what I could see of what was going on in the wheat business wheat would be selling at 75 cents a bushel before he ever returned to parliament. When he saw he was going to be defeated the Grits gave him a job in the civil service, and later when he was free from politics he admitted to me on Sparks street that I was right and he was wrong.

These, Mr. Chairman, are some of the things that have happened. At that time the Minister of Trade and Commerce was not exactly in love with the Tories but he had sufficient affection for them that he was well regarded by them. Yet, Mr. Chairman, he now has the temerity to tell us what we did, that all we sent was cheese. He did not tell you the kind of mess we found. He did not tell you that we were made the honorary pallbearers of the worst political mess Canada had ever seen.

No, Mr. Chairman, these things are not revealed, and perhaps I should not go back to them because I know that you, sir, as a younger man, feel that we older men should not talk about the days that are past. The Minister of Trade and Commerce would rather look to the future. He is the wild optimist who always looks to the future. His twin brother, the Minister of Agriculture, is afraid to look back and he is too cautious to look ahead. Where are the facts? Let me remind hon. members that the party now in power have not justified this halo of perfection they have built around themselves in smug complacency. Yes, Mr. Chairman, that cloak of smug complacency will be their shroud after the next election. It is true that they have skilfully advertised. Can the minister rise today and tell me about conditions in 1930 and 1931 which, as far as we were concerned, were a lot more difficult than they are today?

Mr. Howe (Port Arthur): Ha, ha, ha, ha.

Mr. Rowe: Mr. Chairman, his answer is just what I expected. His answer is that smug complacency which feels that a laugh or a grin is better than a silly answer. Yes, Mr. Chairman, I can take him and hon. members of the house back before 1930. I well recall what happened in 1925. Yes, I can remember when the wheat pool was organized. I can remember hearing Mr. Henry Wise Wood, and I remember the differences between him and A. J. MacPhail. I remember the speeches of Mr. A. J. MacPhail who, the minister will not deny, knew something about the picture and was very much concerned. Henry Wise Wood, who organized the pool, thought that wheat should never go below $2. What a lucky chance they had in 1924 and 1925. I remember distinctly being in western Canada when the billboards in support of Hon. Mr. Motherwell were as conspicuous to me as they were to the hon. member for Rosetown-Biggar.

Where did those who were out to kill the wheat board get their lead? Whose baby was it? They never fathered it, they never mothered it, and they even hesitated to adopt it. Right Hon. Arthur Meighen suggested it and then Hon. Mr. Motherwell grabbed on to it, much to the disgust of many Liberals at that time. As the hon. member for Rosetown-Biggar said, he was elected by going contrary to his Liberal party. He knew more about agriculture than even the present Minister of Agriculture, for whom I have a great regard.

Yes, Mr. Chairman, let us face the facts. No one group in Canada, whether it is the wheat pool, the grain growers, the wheat board, the Conservative party or the Liberal party, has any monopoly on either the errors or the perfections of the past or present. We were told in those years that wheat would not drop below $2 a bushel. I can recall that there was a short crop in 1924 which allowed wheat to go up slightly to $1.96 per bushel. Then it was said the wheat pools had done a great job. They did not need the wheat board. They did not need very much help at that time.

Without reviewing too much of the past I want to come now to the 1930's and what happened. This government who now boast of what they have done about markets had practically lost the United Kingdom market for every important agricultural export we had at that time. I am not going to review the situation because the Minister of Agriculture knows better than the Minister of Trade and Commerce that we had lost our markets for dairy products, for meat and to a great extent for wheat. We found ourselves in 1930 faced with a smaller United Kingdom market than we had had for 75 years. When this government that sits to your right, Mr. Chairman, assumed office in 1935, we had the strongest British market, more stable markets, for products than we have had in 50 years.

Why had the earlier decline taken place? It was the result of the haphazard regard for agriculture that was clearly demonstrated here today when the government majority

was defeated by those who are concerned about agriculture. I am glad that the attendance is better this afternoon. I know hon. members are here because they do not want to be defeated, rather than hear me. The Minister of Trade and Commerce says he has tried to pick out the particular day when Right Hon. R. B. Bennett assumed office. At that time Mr. Bennett found this débâcle: every elevator filled with wheat, every barnyard filled with cattle and every lumber yard filled with lumber. Canada was facing the greatest débâcle it had ever known. Does anyone in this house think Mr. Bennett was powerful enough to create those conditions in three days? Why, three of these tired old gentlemen combined would not make a shadow of him.

The Minister of Trade and Commerce laughs, but he knows what I say is true because he was one of Mr. Bennett's work boys in those days. What did happen? Let me remind young hon. members who have listened to some of these hard-shelled old Grit campaigners tell about the squeak of Bennett buggies in western Canada, this mess was not created by R. B. Bennett. If we had not had as big a man as he was to clean up the mess, we would have been in a worse position.

What did he do? He found this country full of unsold wheat. I know the minister was right this morning when he referred to the price of $1 per bushel. The average price of wheat was exactly the same the month Mr. Bennett left office as it was when he assumed office. I ask the minister, knowing all the bungling he has committed in times of prosperity, how he would have met these difficult problems in times of depression. During those years, between 1930 and 1935, when we were in power we had only 26 per cent of the world market. Yet when we went out of power we had an average of 34 per cent. Today we have 5·5 per cent of the world's production and we are having more trouble than the Bennett government had with almost 9 per cent of the world's production.

I must say, Mr. Chairman, that not a bushel of wheat was sold below the world price. The other day the Minister of Trade and Commerce said we would sell wheat at less than the world price. Where did he get that idea? Where did he hear anybody say that? The Bennett government never sold a bushel of wheat or recommended that the wheat board sell a bushel of wheat for less than the world price. Yet this government has sold wheat to the extent of $4 million or $5 million less than the farmers in western Canada should have had. If they had that money they would not need loans today.

We talk about the wheat board. It is not our purpose to kill the wheat board. We created it. You have messed it up with Liberal socialism until even the wheat board does not know where you are going. The board is afraid to move. If one tries to find out what is going on in this wheat business, one finds it is like trying to peek behind a socialistic bamboo curtain. We are told we do not sell wheat for less than the world price. When I ask how much we sold it for I am told it is not in the public interest to give an answer. I am told we are trying to destroy the wheat board. We do not want to destroy the board; we want it strengthened by young, expert salesmen rather than have old politicians mussing it up.

You have laboured hard and long to create this myth that only you can sell wheat. Well, there is more wheat unsold than at any time in our history. You have cost the taxpayers $120 million. The Minister of Trade and Commerce was not here, but when the Bennett government took office the average price of wheat that month was 92 cents. Later a floor price of 87½ cents was established. When we came into another crisis the Liberal government reduced the floor price to 80 cents. Then they turned around the next day and said, if we have to dump wheat we will do it as cheaply as anybody else in the world. In 48 hours the price had dropped 32 cents and was 60 cents where it had been 92 cents. Those are the champions in trade.

The Deputy Chairman: I am sorry to have to interrupt the hon. gentleman, but it is my duty to inform him his time has expired.

Mr. Philpott: Well, Mr. Chairman, we have had a most interesting lesson in ancient history. Now, I think we should take a look at some modern history. Before we take a look at some modern history I may say that I agree with the hon. member for Dufferin-Simcoe (Mr. Rowe) on one point. I fully expect to live to see the day when the present Leader of the Opposition (Mr. Drew) is the next Prime Minister of Canada, but I do not think that will be for another 20 or 25 years. I believe that once every 45 or 50 years the people of Canada should put in a Tory government for one term in order to be able to realize how good the Liberals were for the other 45.

Well, now, the hon. member for Dufferin-Simcoe has pointed to the gentleman who is sitting next to him, my genial friend the hon. member for Prince Albert (Mr. Diefenbaker). I will concede right now, Mr. Chairman, that

in my estimation the hon member for Prince Albert is one of the finest criminal lawyers—I hope the Leader of the Opposition will not go out too soon because I am coming to a speech of his in just a minute. The hon. member for Prince Albert, I am frank to say, is one of the finest criminal lawyers in Canada, and if I ever do lose my temper and take a shot not only at a television set but at something more alive than that, and do unfortunately bump off someone in the opposition, I think that my first choice of counsel to get me off at the subsequent trial would be my good friend, the hon. member for Prince Albert. But when the hon. member for Dufferin-Simcoe suggests that the hon. member for Prince Albert could sell more wheat than is being sold under the leadership of the present Minister of Trade and Commerce, I think it is a good idea to take a look at the record of exactly how the hon. member for Prince Albert said he would go about selling the wheat if he had a chance to sit where the Minister of Trade and Commerce now sits.

On March 25, 1954, as recorded on page 3339 of *Hansard*, when speaking in the debate on external affairs as the official spokesman of the Conservative party of Canada, he said we should not get rid of our surpluses, including wheat surpluses and other commodities. I am now reading from his speech:

> The people in the western provinces and farmers generally in this country are asking what are the possibilities for agricultural trade. Some argue trade with the U.S.S.R. would afford a means of getting rid of our surplus farm products. What is the attitude of the government with regard to this question? Has the government ascertained through its representatives in the U.S.S.R. that while industrialization has proceeded apace under the five-year plans agriculture has proven to be a failure?

The man who tells us how the Conservative party is to sell the wheat of Canada if or when that party ever assumes power proceeds to say over on the next page:

> Agricultural production has fallen to a level below that of 1928.

Then, a little further down—and this is the important point, Mr. Chairman—the official spokesman of the Conservative party, the man who would sell the wheat, said this:

> I hope and trust that in return for the benefits of the present that are apparent in finding markets for surpluses Canada will not rush into trade with the U.S.S.R. and will give every consideration to the perilous possibilities inherent in contributing in meeting ferment in the Soviet union to which the Kremlin has found no better answer than more repression and the tyranny of purges.

Then, further down:

> As to the question of trade, I fear that the economic advantages of the present will lure many to believe in the necessity or at least in the attractiveness of trade with the U.S.S.R. on the assumption that we can restrict the things in which we trade to non-strategic commodities. In my opinion there is no more strategic commodity in the world than the production of agriculture.

In other words, if the hon. member for Prince Albert had to do with the selling of the wheat of Canada, we would not have sold the 1,000 tons of wheat that we sold to Poland last week; we would not even be negotiating with the Russians down-town in Ottawa today to try to sell a very substantial quantity of wheat. If the hon. member for Prince Albert had his way as the official spokesman of the Conservative party and the salesman in waiting of the Conservative party of the wheat of Canada we would not sell a single bushel to Poland, we would not sell a single bushel of wheat to any part of the one-third of all the world that now is so unfortunate as to have a communist government. We would have no truck or trade with the communists, exactly as the Conservatives advocated in the election of 1911.

Therefore, Mr. Chairman, I say before we listen to any of the glib and shallow talk about the inefficiency of the present government in selling our wheat, or in not selling our wheat, we should look back to the clear-cut expression of policy on the part of the Conservative party which has until this day never once been disavowed as to how they would refuse to sell a single bushel of wheat, or of other surplus food, to any part of the communist one-third of the world.

Since we have listened so long and so generously at times in the past few weeks to how not to sell wheat, may I offer one constructive suggestion as to how I think we might sell it? I myself have travelled at different times for long periods in the countries of Asia. When I was in India in 1951 there was a near-famine there. Our trade commission was trying very hard to sell wheat in India. In my conversations with members of the Indian government I found them most reluctant to buy Canadian wheat if it meant the use of Colombo plan funds for that purpose. I also found that it is not just so simple as some members of the opposition sometimes suggest to dispose of wheat to two-thirds of the people who go to bed hungry every night. You must have some way of doing it. We had an instance of that in British Columbia not very many years ago. We wanted Canada to give some of our British customers apples. We actually offered them one million boxes of apples, but when it came to giving the one million boxes of apples to Britain we found there was no machinery to handle the gift. In the end the apples had to go to the people of Britain through the ordinary chan-

nels, of trade, and the only beneficiary, of course, was the treasury of the British government, which was all very well. Therefore, Mr. Chairman, it seems to me we must have some practical suggestions as to how we might dispose of some of our surpluses beyond those that have been forthcoming. I would like to make two practical suggestions.

First of all I believe this government should send the most intelligent and alert salesmen that they can employ to try to sell wheat to China. I for one believe that if the Minister of Fisheries had not had that unfortunate accident, which resulted in the cutting short of his visit to China, something might have come out of his visit that would have led to a trade deal before now.

The second constructive suggestion I should like to make is this. I find that the great countries of Asia, such as India and China, have always lived on the borderline of starvation. They always live on the raw edge of nothing. There is always a small margin between the bare sufficiency which they ordinarily have and outright starvation. The margin is so small because there is no reserve. I believe it would be in the interests of this country, and of other countries in the western democracy, even if we had to put up a large sum of money, to enable those great countries of Asia to build up a sufficient food reserve, including a wheat reserve. Thank you.

Mr. Zaplitny: Mr. Chairman, the debate on this measure so far has more or less resolved itself into a question of whether this parliament should enact a bill which would be a guarantee to the chartered banks in the event that they should make some loans to farmers on farm-stored grain, or whether this parliament should move toward cash advances on grain. Up until this point we have heard a number of statements and speeches. Only this afternoon we heard speeches which reviewed the policies of previous governments, both Liberal and Conservative. It is not quite clear which party did more violence to the wheat board in its term of office, which did a poor job of selling wheat. I shall leave that to the people to decide. In the meantime, I intend to touch briefly on what I believe to be the opinion and attitude of the farmers in my own province of Manitoba. Manitoba seems to have crept into the picture rather dramatically in recent days. From what I hear, in that province those who view television really get a bang out of it. It brings back into the discussion the arguments that have been made by the hon. member for Rosthern in defence of the government's measure.

I think it can be summarized in this way. The hon. member for Rosthern (Mr. Tucker) in making what I would consider to be the main defence for the government in support of this bill made no attempt to argue that bank loans at 5 per cent were better, more sound or more realistic than cash advances. What he tried to argue was that what the government was doing represented cash advances and I think that is the main reason why his analysis of the situation and his argument in relation to it created so much heat amongst farmers on the prairies.

The farmers on the prairies, at least those in my province, do not mind being told by the government that in the government's opinion its considers bank loans at 5 per cent to be a better proposition than cash advances, and then proceed to argue from there. But when someone tries to shove down their throats something they know is not true it is an insult to their intelligence.

I am not surprised at the incident which took place the other day in Manitoba as reported in the press. A farmer on the prairies could read with some degree of equanimity the arguments presented by the hon. member for Rosthern and the other Liberal members as reported in *Hansard*. He might even be able to restrain himself when he listened to the voices of Liberal members over the radio. But when one of them intrudes not only his voice but his face right into the farmer's living room and argues in support of this resolution the farmer could only retaliate in a dramatic fashion.

An hon. Member: And shoot the works.

Mr. Zaplitny: I am going to place on the record something which represents the attitude of the organized farmers in Manitoba. First of all a resolution was passed. As it happens, it was the first resolution to be considered by the annual meeting of the Manitoba farmers' union which was held in the city of Winnipeg on December 5, 6 and 7. This is the exact wording of this resolution which I think sets clearly before this committee what the attitude of that organization is. It makes no bones about it and it does not beat around the bush. The organization put it in plain language and I will put it on the record:

Cash Advances

Be it resolved that this fifth Annual Convention of the Manitoba Farmers' Union disapproves of the present system of bank loans to farmers on farm-stored grain, and

Be it further resolved that we request the Federal Government to make immediate provisions for cash advances to farmers on farm-stored grain on the following basis:

(a) that these advances shall be the full initial payment

(b) that these advances be paid on the basis of one-half of the deliverable grain

(c) that all administration and interest charges be borne by the Federal Government
(d) that these advances shall be repayable on the basis of one-half the value of each delivery made by the farmer
(e) that these advances be made through the facilities of the Canadian Wheat Board.

That resolution is very comprehensive and clear. It does not make any attempt to skirt the issue and it states exactly what the organized farmers, in the sense that they belong to that organization, are asking for so far as this parliament is concerned. For any member of the house from the prairie provinces, and more particularly from the province of Manitoba, to rise in this house and say that the farmers in Manitoba did not ask for cash advances or to say that what they are getting now can be considered as cash advances, is of course to argue against the membership of the whole of the Manitoba farmers' union which includes thirty to forty thousand farmers in that province.

I come now to the submission of the Manitoba federation of agriculture and co-operation. This was contained in a submission they made last December to all federal members from the province of Manitoba. I understand this same submission was made to hon. members of all the parties concerned. On page 7 of this submission, under the heading of "Cash Advances", we find the following:

Because of the current grain marketing congestion many farmers are in need of financial assistance. We most vigorously protest the payment of 5 per cent interest on loans against grain in store on the farm.

Now, that is perfectly clear. At best the government's measure provides temporary relief. The government of Canada has an obligation to the western grain producer. It should accept the greater risk in making interim payments on grain delivered. It should provide legislation for a long-term program for the financing of farm-stored grain.

The farmers who belong to this organization in many cases belong to both of these organizations because the federation includes all the co-operatives in the province. It is a well known fact that practically every farmer does business in one way or another with the co-operatives in Manitoba. Of course, it also includes a great many non-farmers, those of us who are not engaged directly in agriculture but who do business with the co-operatives, and that probably includes a large percentage of the people in Manitoba. They are automatically members of the Manitoba federation of agriculture. Therefore these two organizations could be said to speak for practically the whole of the population of the province.

They have set themselves on the record very clearly on two points: first, they are opposed to the legislation which is now being proposed by the government, and secondly they are asking that cash advances be made. That is exactly what the members of this group have been fighting for ever since this session began.

As I said earlier, the hon. member for Rosthern and some of the other hon. members who are defending this legislation are attempting to draw a red herring across this whole argument by saying: After all, after the Saskatoon conference, the delegation that visited Ottawa and interviewed the cabinet or some part of the cabinet simply asked for cash advances and did not specify just how this should be done, leaving it to the government to decide this.

I am convinced, however, you cannot get away with that kind of technical weaseling out of the position the farm organizations whose resolutions I have quoted have requested as of December 1955. This can be backed by numerous other resolutions that have been passed in the provinces of Saskatchewan and Alberta. These groups have laid bare their attitude and opinions very clearly before the government and before this house.

Let us examine what the government is actually proposing. The resolution that is now before the committee has been described by hon. members of the government as a measure for providing for loans on grain to the farmers, but a careful reading of the resolution will reveal that it is nothing of the sort. Let me read it:

Resolved, That it is expedient to introduce a measure to provide—

To provide what?

—by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain.

This resolution purports to provide for short-term credit to grain producers but it does nothing of the sort. It envisages a bill to guarantee to the bank any money which the banks happen to lend to farmers who have grain to deliver. It guarantees nothing whatsoever to the farmers. There is nothing in this proposed legislation to say that any farmer who requires a loan or is eligible for one will receive it; it is left entirely in the hands of the banks. Therefore this resolution and the arguments advanced in its support thus far in the debate have been perfectly misleading. They have tried to create the impression that something is being

done to ensure that farmers will obtain loans when nothing of the sort is guaranteed by this proposed legislation.

Of course, I am not in a position to know what the exact wording of the bill will be but I have projected my imagination a little and I have written down what I think the bill will be when it comes up. Perhaps there will be a different version when it is introduced, for we do get different versions of things in this house, the Currie report for example. This is the kind of bill which would logically be written on the basis of what the resolution actually provides for. I have numbered it Bill No. CD-1 and it is entitled "An Act for the Relief of Chartered Banks". The preamble and the sections, of which there are three, would read as follows:

Any similarity between this measure and cash advances on farm-stored grain is purely coincidental and completely ridiculous.

1. Nothing hereinafter contained in this act shall be construed as guaranteeing anything to farmers. Any benefit accidentally inuring to the benefit of grain producers under this act shall be promptly reported to the Minister of Justice, who will forthwith put a stop to such nonsense.

2. Should any farmer manage to obtain a bank loan under this measure, this unusual event shall immediately be reported to the Minister of National Revenue because such farmer must have an excellent credit standing and is therefore a good prospect for income tax boys.

3. Notwithstanding any opinions expressed by farmers or their organizations or representatives to the contrary, grain producers shall take this measure and like it. (This order is pursuant to a decree issued by the right hon. Minister of Trade and Commerce, and shall apply mutatis mutandis to all future legislation decreed by radio and/or television.)

That is the only kind of bill that I can envisage that could logically be drawn up on the basis of this resolution. This resolution is not a measure to provide for loans to farmers; it is a measure to provide relief for the chartered banks of Canada, and any bank loans which might be made under it would of course be purely incidental.

One might think that I am expressing the opinions of the people of only one province, but I should like to add to what has been said about this whole matter what was contained in an editorial in the *Star-Phoenix* of November 10, 1955. Although I am not very familiar with this newspaper, I understand that it is not noted for being too unfriendly to the government. I hesitate to quote anything from the Winnipeg *Free Press* because recently the members of the government have become allergic to anything appearing in that newspaper. But I do understand that the *Star-Phoenix* has been fairly friendly to the Liberal party. Here is what they say:

Honesty and humility require us to admit that our comments on the federal government's emergency farm loan plan probably aren't nearly as interesting as those made by certain politicians. But we take comfort in the thought that our arithmetic is less confusing.

Then it goes on to point out some of the arithmetic that has been bandied about in the province of Saskatchewan by some of the Liberal leaders. It continues:

For instance, Mr. A. H. McDonald was quoted as saying, at Moosomin on October 21, that a maximum loan of $1,000 per farmer at an interest rate of 5 per cent would be less effective than a stirrup pump at a forest fire. But on November 7, after the plan providing for a maximum loan of $1,500 per farmer had been officially announced, Mr. McDonald was interviewed in Saskatoon and expressed the view that the scheme would help the farmer who most needed assistance. Apparently $500 transformed a stirrup pump into a serviceable fire engine.

Meanwhile Rt. Hon. J. G. Gardiner has been arguing that, because the emergency loan is repayable on the basis of half the borrower's receipts from grain, as it is delivered,—

I want hon. members to note carefully the words from here on because they are in quotation marks:

—"by the time he has paid off the whole loan he has had $3,000 in cash to carry on with and has paid interest on half of it."

Those are truly wonderful mathematics. That is the end of the quotation marks and I hope that is not another one of those shameless misquotes. The editorial continues:

True, but he will still have borrowed only $1,500, at most—and if he hadn't taken advantage of the loan he would, by the same point in his grain deliveries, have had $3,000 cash with no interest to pay on it.

We don't think it helps anyone—least of all the politicians—to intimate that $1,500 is really $3,000, or that $500 makes a bad loan scheme into a good one. Whether the scheme is good or bad, the politicians are stuck with it. They ought to be devoting their attention now to the search for a more permanent solution to the farm problem.

I am glad that that last sentence was included in the editorial because that is exactly what the members of this group have been attempting to point out during this whole debate. Regardless of whether the government has its own way, which it appears to be determined to get now by pushing through this legislation in spite of general and I might say almost unanimous opposition by all farmers on the prairies, even if the government changed its mind and accepted the proposals made in this house by the C.C.F., and provided for cash benefits, even if they went that far, it would not provide a permanent solution to the grain problem.

We would still be in the position of having another crop coming along in 1956 and be faced with congested elevators, a shortage of box cars and all the things with which we are faced today. What is required is action on the part of the government in connection with selling grain and introducing marketing

policies which would be conducive to the sale of Canadian grain. Our tariff structure should be reduced in order to allow those nations which normally buy our grain to be able to send their goods to Canada and thus give the Canadian people the advantage of lower prices. That in itself would not only help our export markets but tend—this should interest the Minister of Justice—to reduce combines and monopolies in this country. The breaking down of trade barriers and the allowing of goods into this country would be the most effective way of doing away with monopoly and combines practices. It would keep our Canadian customers for Canadian grain and other agricultural products.

But if this government continues, as the Minister of Finance seems to be committed to continuing, a policy of restricting trade for the purpose of benefiting certain industries in this country rather than to allow trade to flow freely for the benefit of all Canadians, then we are going to continue to be faced with grain crisis after grain crisis. If the government has nothing better than this measly type of resolution to offer to the farmers of Canada they can expect greater and greater difficulties on the prairies.

Mr. Gardiner: Mr. Chairman, the speech delivered by the last speaker brings up one or two matters which I think require a statement by me as Minister of Agriculture, coming as I do from the province of Saskatchewan. The province of Saskatchewan produces considerably more than half of all the wheat we are talking about in discussing these questions and therefore those of us who represent that province, whether we sit on this side of the house or on the other side, are very much interested in the discussion which is taking place.

I am sure we all agree that this is no question about which we can indulge in too much humour. I am not given to indulging in humour while speaking although I enjoy it when others use it, but on an occasion of this kind it is somewhat different. Neither am I so much concerned at the moment as to what brought about the conditions facing the farmers of western Canada apart from the fact that it is a combination of good crops and difficulty in delivering wheat to markets, even to those markets which we have available.

There has also been some difficulty in finding markets at this time for all the wheat that is available. Those are the main factors in connection with the situation which has developed. I only wish to say with regard to that matter that as a farmer in western Canada I am always more satisfied when we have a good crop than I am when we have a poor one. I am always more satisfied when we have more wheat than we can sell than I am when we have very much less than we can sell. I have gone through both experiences.

Some suggestion was made that at one time I favoured the grain exchange method of marketing. That is perfectly true. There was a time when we really did not have any other system but the grain exchange system of marketing. We developed from one thing to another until we eventually obtained the pooling system of marketing in western Canada. I have never been in favour of any other system but that one since it was first brought into being. As a matter of fact, I had something to do with stumping sections of the western part of Canada in putting it into being. I have had no reason to object to it or to oppose it since then.

I come down to this particular question which was all confined to one particular fact that existed last summer and last fall. The businessmen in the small towns and in the cities as well had been doing what they have always done in western Canada. They carried the farmer from the spring to the fall without any question whatsoever. When a farmer walked into their place of business and asked for oil, they gave it to him; when he walked in and asked for groceries, he obtained them; when he walked in and asked for clothing, he obtained it simply because they have always been accustomed to having bills run by these farmers over the years; and even in the years when we had to give them relief in order to get them by, the businessmen went to the very limit in order to see that the farmers were supplied. They did that this last season. There was an additional reason why they did it this last season.

Last spring we started off with the idea that we were not going to have very much wheat because we were not going to be able to get it seeded. It was raining too much. Then when we did get it seeded, growing conditions were so good that, as the summer advanced, everyone was of the opinion that we were going to have a good crop but that we might not get it off because it was late. Then when we came into the middle of the month of July, we had weather which ripened our crops much more rapidly than we expected to have it ripened. We therefore harvested a very considerable crop; it was the eighth highest crop we have ever harvested in the province of Saskatchewan and over all of western Canada itself, in so far as wheat was concerned.

I say again that the businessmen did not hesitate to give credit; but it can be said of

the farmers who farm in western Canada, they did not use as much of that credit as they had been accustomed to use over the 10 years since the war, the reason being that they had themselves very well equipped with machinery. At the end of the war they had little if anything with which to carry on. That was bad for operation on the farm, because they could not buy equipment during the war. But during the years up until this last year they had been equipping their farms and had them very well equipped. They did not buy as much machinery during the last year as they had bought recently, the obvious reason being that they were being careful in financing their farms. In spite of all that, when we came up to the months of October and November, the businessmen were looking for the cash that they in turn had to pay to the wholesalers here and there and to those who had supplied them with equipment from the eastern part of Canada and elsewhere.

So the concern was not so much concern on the part of the farmer as it was concern on the part of the businessman. He said, "Look here; I must have cash". The farmer said, "I have not got it". There could not be any argument about that. Whatever the reasons were, whether it was on account of car shortage or whatever it was, wheat had not been moving and the farmer did not have the cash. It would have been quite easy for some farmers to say, "It is not so much my worry; as long as I can go back to the businessman in the small town or elsewhere and get credit as I have always had it, I shall be able to carry on." Not many of the farmers said that, but they might have been justified in saying it. Instead they said, "Look here; these people have always carried us. What is going to be done about it? How are we going to get cash into our hands as soon as possible in order to go in and pay these men and let these men pay the wholsalers and others across the country and thus be in a position to carry on?" There was no one who had any idea in mind—the farmer, the businessman or anyone else—that any policy brought in at this time was going to settle all those problems that have to do with the marketing of wheat.

There are in this chamber members who, every time a westerner gets up to speak with regard to wheat, recall all the things that have been said over the last 30 years with regard to marketing wheat and who express the hope that the discussion will not be along the same lines. That is all right. But we are not attempting to settle the problems that we have been discussing over the last 30 years or that we are going to be discussing over the next 10 years or even the next year. Here at the moment we are discussing only the problem that was involved in getting enough cash into the hands of the farmers who could not raise it otherwise in order to make it possible for them to pay their accounts in town, get their line of credit again and go on doing business as they have always done. If we can keep our minds on that particular question and deal with it, then we can discuss intelligently ways and means by which that may be brought about.

One of the ways, it is quite true—and the farmers do not hesitate to say so—would have been to get some variation of the old system that used to prevail before we had the wheat board at all. The farmers know—as do I and as do any other people who ever delivered wheat in western Canada—that there were times when a farmer went to the grain dealer, the elevator company and said, "I have wheat but I do not want to draw it in at the present time; I do not want to pay storage costs on it because the highest storage costs in the world are those in elevators. I want to keep it out on the farm and I will deliver it in due course". In those days the elevator company advanced 60 per cent of the value of the grain on the basis of the price on that particular day, and the farmer carried on. That procedure applied only to a certain group of farmers, farmers whose credit was perfectly good and about which there was no question.

Mr. Nicholson: Who decided that?

Mr. Gardiner: The elevator company decided that.

Mr. McCullough (Moose Mountain): Did the minister ever do that?

Mr. Gardiner: Yes; I have done it; but it is some time ago. I may say that anyone who could not do it was someone whose credit was not as good as mine, and mine was not as good as it is today. But we went along in that way. Some of us got help in that way. There are some people at the present time who can get help in that way. They do not need to go to the wheat board. They do not need to go to this government. They do not need to go anywhere except to the bank. When members on the other side of the house or on this side of the house say that there has been far more money lent outside of this plan than will be lent under it, they are only saying that the farmers of western Canada are in a little bit different position from that which they have been describing to this house.

A very considerable number of farmers in western Canada are able to go to the banks and get whatever money they require, a very considerable number of them have considerable wheat in their bins, and I am not going

to depart from the position I have always taken since I have been in the house and long before I came here that the best bank account any farmer in western Canada can have is a bin of wheat. That still remains the best bank account he can have. There have been no difficulties with farmers who, having bins of wheat on their farms, have gone to a bank and borrowed money, but every businessman in western Canada has had difficulties with people who were able to go to the bank and borrow money when they did not have wheat or did not have something else. They have had difficulties in those cases.

The situations of different people in the west have been described to the house a number of times. There is the young fellow, the chap who did not have any interest in land until a few years ago and then got it one way or another. One way was to go and buy land. Now he has payments to make. In other cases the father came to the time when he did not want to farm any more and he turned over his land to a son. When this occurs, nine times out of ten the young fellow makes an agreement with his father and sometimes with other members of the family that he will give them cash as a result of the crop he harvests. He will turn over cash to them. They usually make agreements based pretty much on everything that they are going to get or do. He will keep so much to run his own show. He will agree to pay so much to take care of his mother and father wherever they may be. He may agree to pay so much to keep a brother in university or someone else he is taking care of.

Then he comes to a fall like last fall and he is not able to market his wheat for the reasons that have been discussed here and he needs some cash. All this legislation says is that here we have a banking system set up in the country from one end to the other, a system that is looked upon as one of the best anywhere in the world and whose purpose is to serve the needs of a country like ours. That system is there. It is established. It is true that there is not a bank in every town but there is one in most towns and farmers who live near places where there is not a bank can go to a town where there is and get money by way of a loan.

That immediately suggested itself to everyone as the simplest way to arrange for the distribution of cash to the farmers. Other people came along and said, "Why not have the wheat board make advances?" A great many people who think there is some merit in that suggestion say that it could not be made to work so far as meeting this situation is concerned. It may be something you might bring into effect at some particular time to deal with a situation that is there all the time but it is not the way in which to deal with this situation, and if you attempted to make it deal with it it would cost the farmers far more than 5 per cent in order to do it. I want to illustrate what I mean by that and the fact that this editorial was read a few moments ago gives me the idea that it should be said. When the farmers met and passed these resolutions at Saskatoon, in Manitoba and elsewhere they called attention to the fact that they thought half the money obtained from any wheat delivered during the winter months should be left in the hands of the farmer. It did not make any difference whether it was going to be advanced from the wheat board or where the advances came from. The indication was that half the money was to be left in the hands of the farmers.

In drafting this proposal the government said: All right, let us say a farmer wants $2,000. He has the wheat to use as security for the whole $2,000 and he wants the money over the next six or nine months until he gets into another crop year or until the wheat now in the elevators starts to move and he is able to deliver his wheat and get more money. Someone challenged us the other day to go out and have meetings in our constituencies. I had meetings in my constituency and I explained the matter to the farmers. What I said was this. I said, "If you want $1,200, go to the bank and ask for $600. If you want $2,000, go to the bank and ask for $1,000. If you want $3,000, go to the bank and ask for $1,500." That is what the editorial indicates I said. Then I said, "You can pretty well bank on being able in a few months to get some of your grain into the elevator and when you do put it in half of the money will go to pay off your loan and half will go into your own pocket to do whatever you wish with it."

I should emphasize here that with respect to these particular loans some of the things that have been said do not apply at all. The bank only has the government's guarantee provided they put the money in the hands of the individual and allow him to do what he wishes with it. You cannot get a guarantee any other way. To say he has got to do this, got to do that and got to do something else is all right if you are referring to ordinary banking but the banker cannot do it under this system. The farmer gets the money and the man who gets the money is told that he can go ahead and pay his accounts, take care of any indebtedness he has or use the money to live on during the period. But when he delivers wheat only half the money for that wheat goes on the loan and the other half is handed to him to do what he wishes with it.

How anybody can figure out anything else than that if the man gets a loan of $1,500 he is going to have the use of $3,000 over the period of the loan is more than I can understand. I should like to have it explained. He has got $3,000 in cash over the period to pay costs.

It is all very well to say that if he had not got it that way, if he could have got cash at the beginning of the season, he would have had the whole $3,000 and would not have had to pay 5 per cent interest, but I come back to what I said at the beginning. This was a set of circumstances that was there and had to be dealt with. It was not something about which you could theorize. The farmer needed the money, it was being provided to him and by next summer he will have had the amount of money I have indicated that is double what he borrowed.

I pleaded with them not to ask for too much in the way of loans because financing on loans has never been the best way for the farmers of western Canada. I have here the results of what happened at the two places where I addressed meetings and also at one place halfway between where a meeting was addressed by the hon. member for Assiniboia. In the first place where I addressed a meeting 61 of the farmers obtained loans under this plan in the first three weeks. I have not had the records since. They got $39,650. The average loan was $650 and there were four $1,500 loans.

An hon. Member: How many were at the meeting?

Mr. Gardiner: About 200.

Mr. Nicholson: Can the minister say where and when the meeting was?

Mr. Gardiner: Oh, you have all seen reports of it in the papers and probably you would ask a lot more questions if I told you where it was. It was in the west end of my constituency. Let me repeat that 61 loans have been made, four of them being $1,500 loans, and the average amount was $650. On the other side of the place where the hon. member for Assiniboia had a meeting I addressed another meeting. At this place there were 52 loans amounting to $44,190. The average amount was $850 and eight of the loans were for $1,500. I have been given a note which says, "Tell Mr. Gardiner so and so got the first loan." He was the only man who got up at the meeting and objected to bank loans on the ground that he would not be able to get a loan. He got a $1,500 loan. The note goes on to say that the bank expects 20 more loans if no quota is opened and none if a quota opens.

In the one town there have been 61 loans from one bank and in the other town some 40 miles down the line there have been 52 loans, with the possibility of 20 more. Then at the town halfway in between where the hon. member for Assiniboia spoke and told them this was not any good at all, 27 of them went to the bank and got loans. The average there was $800 and there were no $1,500 loans. The total amount was $21,585.

Mr. Hamilton (Notre Dame de Grace): Would the minister permit a question?

Mr. Gardiner: Yes.

Mr. Hamilton (Notre Dame de Grace): What is the source of the figures on bank loans which he has just quoted?

Mr. Gardiner: These are the actual figures obtained by my secretary from the banks where the loans were made.

Mr. Hamilton (Notre Dame de Grace): Is that information that is publicly available to all of us?

Mr. Gardiner: It will be publicly available to all of you when I have finished. If my hon. friend wishes, I can give the town. Perhaps I should have given the names to the hon. member for Mackenzie, who suggested it a moment ago. The first town is Lipton; the second town is Lemberg and the third town is Balcarres, which is half way in between.

Mr. Hamilton (Notre Dame de Grace): I just thought our private business with the banks was safe from the prying eyes of ministers.

Mr. Gardiner: I think the hon. member for Assiniboia would say he was at Balcarres. I have the reports of all three meetings on my desk if it is necessary to give them.

What I want to point out is this. These loans do work. What is more, part of these loans has already been paid back by the very method I mentioned. Since that time, in accordance with one statement made by the Minister of Trade and Commerce, cars have been finding their way into western Canada in greater numbers than before and wheat is being shipped out. As a result of wheat being shipped out, these 20 loans that have been referred to as being possible have not been required. The other loans have been partly paid off. All I want to say is that is exactly what the plan was set up to do, and that is exactly what it is doing.

The result has been that the businessmen in the towns of the Lipton-Dysart area had the benefit of $39,650 paid on accounts into their places of business, or if they did not have it paid on accounts that were running they are getting it paid into their business

places during the winter, which they otherwise would not have had. In the town of Lemberg the amount is $44,190 and in the town of Balcarres the amount is $21,585. I think if the hon. member for Assiniboia had never gone there it would have been just as high as the others. I have had sufficient experience with the farmers of western Canada to know they do not pass up these things. There were meetings held all over the province of Saskatchewan. There was this one at Balcarres and one at Neudorf, addressed by the same gentleman.

Mr. Argue: I was not at Neudorf.

Mr. Gardiner: You must be mistaken.

Mr. Argue: No, I am not mistaken.

Mr. Gardiner: Maybe you were at Dubuc.

Mr. Argue: No, I was not there either.

Mr. Gardiner: You must have been along there somewhere.

Mr. Argue: I was in Saskatchewan.

Mr. Gardiner: My hon. friend was pretty well around in the province; put it that way. I venture to say that at every point he called the farmers got less service under this plan than did the farmers at any point he stayed away from. That is the thing the farmers are going to remember. They are not going to remember what he has to say on the floor of the house during this debate. They are going to remember the fact that he came there, told them certain things, and they did not take the money out of the bank. The businessmen are going to remember that he came there and told them certain things, and they did not get some of their accounts paid as early as could have happened.

Some hon. Members: Oh, oh.

Mr. Gardiner: My hon. friend can laugh himself into good humour if he likes, but there will not be any good humour around when he goes back to these places. Now, that is what the system was intended to do. This system was intended to put cash into the hands of the farmers at the smallest cost to them as soon as possible. This would permit them to pay their accounts or arrange for a line of credit based upon the fact that they had cash and would enable them to do business until they got another crop or until they were able to put some of the grain they already had in the elevators.

This plan was never intended to do more than that. It was not intended to settle all the problems having to do with farming in western Canada. It was not intended to raise the income of farmers down in the province of Nova Scotia. Hon. members get up and quote cash farm income in Canada or quote the net income in Canada and try to tell us this system does not correct that. It never was intended to correct that. It was intended to do exactly the job it is doing. There are many farmers in these areas who can go to the bank and get assistance without this scheme.

This bears out everything that has been said by the Minister of Trade and Commerce, namely that there has been a lot of wheat grown in western Canada in the last five years and there has been a lot of wheat sold, but that does not eliminate the fact that farmers here and there require some kind of assistance to get cash in their hands in order to pay their accounts now rather than wait until next spring or next fall. The business of the country is continuing to be done.

Those are the facts. I do not think one needs to expand upon them very much in order to indicate that this measure ought to be allowed to go through just as rapidly as it can be got through. I do not say that because it is going to help anyone particularly now. The business is being carried on just the same as it would be if this were passed. I am not going to argue that it is otherwise. But I am going to tell my hon. friends that if they had got away with the snap vote they took this morning, and if it had had any effect whatever upon this matter so that in the end they had not had any legislation at all, they would be the sorriest group of people going back to western Canada of any who left this house at the end of the session. I am quite sure the people they represent are not going to lose sight of what might have happened to them if my hon. friends had been able to accomplish what they set out to accomplish this morning.

I am not going to take much more time, but I am going to say this. The last speaker from the official opposition did me the kindness of saying that he has some regard for some of the things I say. I just want to say this to him. I have been here quite a few years, but not as many as he has. I do not think that many sessions have gone by when I have not discussed wheat. I have been here just as long as I was in the legislature of Saskatchewan, and I discussed wheat there every year for about 20 years. In that time I, of course, have said a lot of things, many of them under circumstances entirely different from those which exist now. The remarks made then, therefore, cannot apply just in the same way as my remarks do now.

I am going to say to him that this story that has been told here by two or three with regard to the wheat board is not exactly

correct. The first wheat board we had was at the end of the first war, and that wheat board was done away with by the official opposition which became the government under Mr. Meighen. There was a very strong agitation in all the years from then until 1930 to get the wheat board back. In the meantime we had the wheat pools organized.

It is quite true that Mr. Bennett introduced a bill in 1935 to set up a wheat board. He had the greatest majority in this house that had ever been behind any government up to that time. He introduced a bill which provided for doing exactly what we are doing now. Well, Mr. Ralston, representing the Liberal party of that day in opposition, opposed it. He said we ought to set up a system under which we would have the right to deliver either to the wheat board or to the trade. Mr. Bennett could not get his bill through the house despite his large following. He withdrew the bill, appointed himself chairman of a committee, put Mr. Ralston on the committee with three others, and they drafted a new bill. The new bill was the one we had to put into effect when we came into office.

I quite agree that the Liberal party was responsible for that bill having been redrafted by putting up opposition to the former one; but I point out that the government could have put the first bill through if they had wished to. They did not wish to put it through. They had enough support on their own side of the house to put it through; but they put through a bill which gave a choice to the farmer either to deliver to the wheat board or to the trade.

It carried on in that way past the year 1938 to which my hon. friend from Rosetown-Biggar referred, when an amendment was moved and Mr. Motherwell rose in his place and opposed it, because it said that under certain circumstances the farmer could not deliver his wheat to the wheat board. But that is not the big question or the big point that we come to. The time of real choice was in 1943. In that year, in the middle of the war, every elevator company in Canada, including the wheat pools, came here and appeared before a committee of the cabinet, of which I was a member. In that committee they asked us to take over all the wheat that had been delivered to them and that had been paid for by them, and to take it over at the price of wheat that day, namely approximately $1.25 a bushel. We agreed to take it all over on one condition, that another pile of wheat would not be built up by the same elevator companies between then and the end of the war that we would have to compete with in selling our wheat.

That was the beginning of the compulsory board as it had been brought in first by Mr. Bennett, in 1935. The wheat board bought all the wheat; and having bought all the wheat we said that the farmer must now deliver all the wheat to the wheat board so that a second pile would not be built up to come in competition with the wheat that was being sold, and that system has been carried on since.

I just wish to say the farmers in western Canada are agreed that this is the best system they have had. What the Minister of Trade and Commerce said the other day was that some newspapers—one of them was read a few moments ago, published by exactly the same people who publish the *Free Press*, or which up to that time was published by the same people; now it is being published by another branch of the same family—were opposed to the wheat board. If anyone thinks they are not still opposed to it, all they need do is come to my office and I will show them a letter I received within the last few weeks in which they say they were always opposed to the wheat board, they are still opposed to it, and they will always be opposed to it.

Well, if anyone wants anything clearer than that, I do not know what it would be. What my friends have been doing during the last few days is this. They have been reading one editorial after another from those papers telling this house what the government ought to do. Well, if they can interpret that in any other way than that they are behind the strongest organization in this country that opposes the wheat board, I should like to have it interpreted for me, because I cannot understand it in any other way.

Mr. Johnston (Bow River): Mr. Chairman, I wish to say a few words on this resolution before the debate closes. I listened very carefully to what the Minister of Agriculture had to say. He is always a very good debater. Unless you watch yourself very carefully he can almost make you believe that black is white. I admire him for that, and I always derive a great deal of pleasure from listening to him.

It seemed to me, Mr. Chairman, the minister overemphasized one point most clearly, namely that there was a great need throughout western Canada to have financial assistance rendered to farmers at the present time. The minister nods his head. But the other day the Minister of Trade and Commerce said that was not so. He said there were only comparatively few people who wanted this legislation. I think the two ministers should get together and come to some agreement.

Mr. Gardiner: The hon. member had better read our speeches again and we will not have to get together.

Mr. Johnston (Bow River): I think the past has proven that you should sit a little closer together. Mind you, I think the Minister of Agriculture expresses the views of western agriculture a little bit more exactly than does the Minister of Trade and Commerce. It has always seemed to me that the Minister of Trade and Commerce was not as closely associated with western agriculture as he might be.

The Minister of Agriculture did emphasize the dire necessity that agriculture finds itself in at this time. He says that the legislation which is now put forward is meant to meet that need. None of us in this house has argued against the fact that the farmers of western Canada are in need of assistance. One of our contentions has been that the way in which this assistance has been rendered is not the way in which it should have been given, and it is not the way in which the majority of the people in western Canada, farmers and other organizations as well, chambers of commerce and so on, want it to be done. They have all asked that it be done through advances.

The Minister of Trade and Commerce, and apparently the Minister of Agriculture, say there is a great difference between advances and loans. The only difference I can see is that farmers would not be required to pay interest charges on advances, or at least they would not be required to pay the tremendous interest charge that is being asked here. On the other hand loans are to be advanced at the maximum rate of interest, namely 5 per cent.

I was happy to learn that the other day one of the outstanding spokesmen for the Liberal party, the one who was on television the other day—I was glad he was not fired at in person but just his image; therefore he is still in a position to know what the people of western Canada are thinking—had this to say. Let me quote his words. When he spoke on this very legislation the other day he talked about advances. To my way of thinking he was backing up the government's views in regard to this legislation. At that time I asked him if he would differentiate between loans and advances. This is what he said, as reported at page 629 of *Hansard*:

> Mr. Johnston (Bow River): Are you differentiating between advances and loans?
>
> Mr. Tucker: Advances are exactly the same as loans.
>
> Mr. Johnston (Bow River): The minister does not agree with that. He says everybody who asks for advances is a saboteur of the wheat board.
>
> Mr. Tucker: I am dealing with the question as I see it. The minister makes his own speeches. If my hon. friend thinks I have always got to agree with the minister, he is mistaken.

[Mr. Gardiner.]

I am glad he put that on the record. I am glad he does not agree with the minister in this regard. I am glad he does not agree with the Minister of Agriculture, either. I noticed that in his argument a few minutes ago the Minister of Agriculture never said one word against advances.

Mr. Gardiner: Mr. Chairman, if I did not, I made it as plain as I could that an advance would cost the farmer two or three times as much as a loan from the bank. That is what I intended to say. I do not think there is anything particularly wrong with an advance, but I did say why it would cost the farmer more to do this job in that way than it would to do it as it is being done.

Mr. Johnston (Bow River): I am sure this committee would be very interested to hear the minister explain that very point before this debate closes. How can he think for a moment that it would be more costly to issue advances than it would be to make loans at 5 per cent? I cannot understand it.

Mr. Gardiner: I explained it. There is a system of banks built up right across this country that can do this at as low a cost as it can be done. If you started to build up another system just to take care of it for six months the cost would be so high that you could not possibly compare it with the 5 per cent. It would be nearer 20 per cent.

Mr. Johnston (Bow River): I would not believe that for one moment, because I do not think it is the fact. When it comes to the banks lending money at 5 per cent you can be assured there is a good profit in it. The other day when I spoke, and also when the hon. member for Acadia spoke, we both indicated that we had borrowed money, and that he and I had borrowed money from the banks at less than 5 per cent interest on a government guarantee. Our government guarantee was a bond. Who is behind the bond if it is not the federal government? And when we come now to give the banks a government guarantee for these loans at 5 per cent they are getting one of the best guarantees that exist. If they could lend us money as individuals at less than 5 per cent on the backing of this federal government they could surely lend money to the farmers on a government guarantee. There are other arguments as well.

Mr. Gardiner: My hon. friend paid for the bonds; he did not go to borrow money from the government.

Mr. Johnston (Bow River): That does not make any difference. Let us not try to draw any red herrings across the road such as the Minister of Trade and Commerce was speaking of a while ago when he said they were

all dead. I was out in Saskatchewan and I saw one of the herrings the Minister of Trade and Commerce was speaking of printed on a sign nailed to a post. The sign read, "Vote for the Liberals and get hooked like we did". Let us not get these things confused.

I am saying that when I borrowed money I had a government guarantee. The guarantee I had was that the government of Canada was behind that bond. What is the difference between that and these loans made to the farmers, when the government say they are standing solidly behind them?

I was told just a while ago, Mr. Chairman, that one Alberta wheat pool is borrowing money from the chartered banks at less than 5 per cent interest, and they have not the guarantee of the Canadian government behind them. They have not as good a guarantee as that which we are talking about. When the Minister of Agriculture stands up and says it would be more costly to make advances rather than loans I just cannot believe that for one moment—

Mr. Gardiner: Do you want to hear what I really say about it?

Mr. Johnston (Bow River): Are you asking me now to forget what you did say?

Some hon. Members: Hear, hear.

Mr. Gardiner: No, I am going to answer exactly what you are saying. You say the wheat pool can borrow money at 3½ per cent—

Mr. Johnston (Bow River): I did not say that.

Mr. Gardiner: You said something like that.

An hon. Member: He said less than 5 per cent.

Mr. Johnston (Bow River): I think 3½ per cent was the rate, but I did not say that.

Mr. Argue: Last year the rate was 3½ per cent.

Mr. Gardiner: It has been said, too that you can borrow money for pipe lines at 3 or 3½ per cent.

Mr. Johnston (Bow River): Yes.

Mr. Gardiner: Of course, one is a loan to a farmer and one is a loan to the pools, and this rate can be charged because the loan to the pool is in millions of dollars at a time. It does not cost nearly as much to put out millions in a block as it does to put out $600 to each farmer across the country. The cost of putting out small loans is not comparable with the cost of making a loan amounting to millions of dollars to any organization whether it is for a railway or a pipe line or a farmers' pool or whatever it might be. It is always cheaper to get money under those circumstances.

Mr. Johnston (Bow River): Mr. Chairman, I just got through indicating to the minister that we as individuals got it for less than 5 per cent. It does not make any difference so far as the cost is concerned whether the transaction is written in the books of the bank as $50, $100 or $5,000; there is no more cost attached to it. I will admit immediately that there is a greater cost when there is a greater number of cases, but that cost is infinitesimal.

The other day I put on the record the profits of some of the banks, and of two of them in particular. According to their balance sheets they are not in as much need as the farmers who are suffering because of the policy of this government. The farmers are not to blame; it is the policy of this government.

Let us examine what the Minister of Trade and Commerce said the other day, when he implied that there was not too much need in Canada for this sort of thing, and that this resolution was designed to help only the few who are in need. I want to put on the record some statistics that will indicate the position of agriculture. I believe I should just speak for my own province of Alberta. The *Albertan* of Tuesday, October 18, 1955 carried an article entitled "Farm Income Drops", which says:

> Edmonton—Farm income in Alberta was nearly $3,000,000 lower during the first eight months of this year than in the same period of 1954, the provincial bureau of statistics reported Monday.

I have just dealt with the province of Alberta, but we can see that a number of people in that province are in need of assistance. I believe we settled that once and for all when the Minister of Agriculture recently rose and said there was great need, and I suggest we can disregard what the Minister of Trade and Commerce said in that respect.

This same trend is indicated by the dominion bureau of statistics. According to the bureau the net farm income for agriculture in western Canada in 1951 was $1,127 million. In 1952 it was $1,082 million. In 1953 it was $884 million and in 1954 it was $376 million. That, Mr. Chairman, relates to the western provinces.

Let us now look at the farm income for all of Canada. In 1951 it was $2,154·5 million and in 1954 it was $1,125·6 million, representing a difference of about $1 billion. If we look at the figure for western Canada for 1951 we see that it was $1,127 million and for 1954 it was $376 million, which represents a difference of $751 million. This relates to

the three western provinces. If we compare the two figures we find a difference of $249 million. The sum of $249 million would represent the loss in agricultural income in all the rest of Canada, seven provinces, while during the same period the three western provinces lost the sum of $751 million.

This, too, contradicts what the Minister of Trade and Commerce said the other day in regard to the income of western farmers. Therefore when we look at this problem squarely in the face we must recognize it as a situation requiring an emergency measure. The remarks of those hon. members who have endeavoured to belittle the fact that western agriculture is really in need should not be given too much consideration.

I wish to deal again with the question of advances and loans. The Minister of Trade and Commerce in his speech the other day is reported at page 127 of *Hansard* as having said the following, and I had better read his words because I do not want to misquote him:

> Recently there has been a great drive for advances on farm-stored grain. The suggestion has been for three-quarters of the value of the grain to be advanced by the wheat board. Many hon. members may think that the inspiration for that suggestion came from the farms. I can assure you there has been nothing of the kind. It came from the cities. If I had time, I could quote chapter and verse to that effect. Who are its supporters? The supporters are the enemies of marketing through the wheat board.

I want you to notice, Mr. Chairman, that the Minister of Trade and Commerce is endeavouring to belittle all those organizations in western Canada which dared advocate advances. In a moment I shall read a list of some of those people who have advocated those things.

As I indicated when I was speaking on the address in reply to the speech from the throne, I attended a large number of meetings in my constituency before coming east last fall. These were not meetings which I called; I did not call one of them. They were called as protest meetings, not because the people of my constituency desired to call protest meetings but because those people were in dire need of assistance and something had to be done to help them. There were U.F.A. meetings called and there were meetings called by chambers of commerce. Those were not farmers' meetings, and those groups certainly could not be classed as saboteurs of the wheat board.

Mr. Howe (Port Arthur): Mr. Chairman, is my hon. friend aware that the chambers of commerce of Canada pass a resolution each year asking for the abolition of the wheat board?

Mr. Quelch: Not in western Canada.

Mr. Johnston (Bow River): I am speaking of western Canada. On October 11, 1955, a delegation was sent to the government of Canada concerning the urgent need for cash advances on farm-stored grain in western Canada. Let me read to you the names of those people whom the minister is now saying are saboteurs of the wheat board. As a matter of fact these are the very people who have advocated most strongly for the inception and the continuation of the Canadian wheat board. For anybody to stand up here in the house and say that most of the members from western Canada, and that all these organizations who have sent protests to the minister asking for cash advances and not for loans are saboteurs of the wheat board is stretching one's imagination pretty far. Even the Minister of Agriculture does not agree with his colleague the Minister of Trade and Commerce. Here are the organizations who signed this submission:

> Alberta department of agriculture
> Manitoba department of agriculture
> Saskatchewan department of agriculture
> Saskatchewan wheat pool
> Manitoba farmers union
> United Grain Growers

Mr. Howe (Port Arthur): No, no.

Mr. Johnston (Bow River): Yes, yes.

Mr. Howe (Port Arthur): The United Grain Growers voted against advances through elevator agents.

Mr. Johnston (Bow River): You just write to these people who sent the minister and the Prime Minister this submission. If I can read correctly it says:

> Manitoba farmers union

Mr. Howe (Port Arthur): Not the United Grain Growers.

Mr. Johnston (Bow River): The United Grain Growers. Their name is right here.

An hon. Member: Oh, oh.

Mr. Johnston (Bow River): You will have to argue with the United Grain Growers, not with me. Here are the other names:

> Saskatchewan federation of agriculture
> Manitoba federation of agriculture and co-operation
> Alberta federation of agriculture
> Saskatchewan farmers union
> Alberta wheat pool
> Interprovincial farm union council
> Alberta farmers union
> Manitoba wheat pool

It is said that all these are saboteurs of the wheat board. How ridiculous can we get in this house? I am not saying that in any disrespectful way, and I do not want the minister to think I am doing that. I am

simply pointing out how ridiculous it is to suggest, as the minister did the other day in this house, that those who are asking for advances are saboteurs of the wheat board. If the minister wants to say something I shall be glad to have him do so.

Mr. Howe (Port Arthur): I just want to know what document it is that these people signed.

Mr. Johnston (Bow River): This is a submission to the government of Canada respecting the urgent need for cash advances on farm-stored grain in western Canada. It was presented by those whose names I read to you. I will send it over to the minister so he can have a look at it. It says "Respectfully submitted". Let me read the names of those who signed it.

Mr. Howe (Port Arthur): I will accept that document. I take it that this is the brief submitted by the delegation that came to Ottawa to meet the cabinet, is that correct?

Mr. Johnston (Bow River): It is dated October 11, 1955.

Mr. Howe (Port Arthur): I can tell you that several people in that delegation representing organizations you have referred to advised the government against the case you are advocating. You are misrepresenting what the document says.

Mr. Johnston (Bow River): Are you implying that the people who submitted this to you spoke against it?

Mr. Howe (Port Arthur): Yes.

Mr. Blackmore: Double-crossed.

Mr. Johnston (Bow River): I would say that in my judgment those are most respectable organizations.

Mr. Gardiner: I was there and heard what was said. The reason they gave for bringing 20 delegates was that they could not bring a smaller number and represent the views of all.

Mr. Johnston (Bow River): So they brought some who did not mean what they said?

Mr. Gardiner: They brought 20 to express their views.

Mr. Johnston (Bow River): I had better read the names of those who submitted this, just in case there should be any doubt about it. They say "Respectfully submitted" but it is doubtful whether it was received so respectfully, because the minister has indicated that some of those who submitted this told him afterward they did not believe what was in it.

Mr. Howe (Port Arthur): It was not afterward.

Mr. Gardiner: It was right at the time.

Mr. Johnston (Bow River): I will read who submitted it respectfully:

Alberta department of agriculture
Manitoba department of agriculture
Saskatchewan department of agriculture
Saskatchewan wheat pool
Manitoba farmers' union
United Grain Growers
Saskatchewan federation of agriculture
Manitoba federation of agriculture and co-operation
Alberta federation of agriculture
Saskatchewan farmers' union
Alberta wheat pool
Interprovincial farm union council
Alberta farmers' union
Manitoba wheat pool

Let us see whether they meant it or not. I take it that they did. The minister will have to answer to them if he says that someone told him they did not really mean what was in this. This is what they asked; this is the resolution which was passed:

Be it resolved that the organizations participating in this conference urge the government of Canada to make immediate provision for advances to farmers on grain in store on the farm and further that these advances should be up to one-half the value of the normal delivery expected and should be repayable on the basis of one-half of the value of each delivery made by the farmer.

Mr. Howe (Port Arthur): That is exactly what we did.

Mr. Johnston (Bow River): That is exactly what you did not do. Had you done that there would not have been all this argument. There would not have been any difference between me and the minister.

Mr. Gardiner: May I ask my hon. friend a question? Has he read the report which Mr. Hanson, the president of the farmers' union of Saskatchewan, made when he got back to Saskatchewan?

Mr. Johnston (Bow River): Is it different from that?

Mr. Gardiner: It is certainly different from what you are saying.

Mr. Johnston (Bow River): I am reading the resolution, and if you are contradicting that you will have to take it up with them. In the second paragraph of the resolution they say:

While the principle of cash advances—

That is not loans. The Minister of Trade and Commerce has said that is what the government did, that he has complied with the wishes of these people.

An hon. Member: Does it say "not loans" there?

Mr. Johnston (Bow River): I have not the time to go over and educate the hon. member as to the difference between loans and cash advances.

Mr. Byrne: I am only asking you to read it.

Mr. Johnston (Bow River): Go to the hon. member for Rosthern. I would advise the hon. member to get a television set; it might get a little bit more personal. Let me read the second paragraph of this, which says:

> While the principle of cash advances on farm-stored grain was unanimously endorsed—

The United Grain Growers apparently did not disapprove of that.

> —by the organizations present at the conference, various proposals were offered on the mechanics of making these advances.

Mr. Mang: May I ask the hon. member a question? From the hon. member's reading of that resolution I did not hear that it specified advances through the wheat board or through the elevator companies. Did it specify them through those channels?

Mr. Johnston (Bow River): I do not care how you make them. These people were not concerned with the details; what they wanted was the principle.

An hon. Member: Oh, oh.

Mr. Johnston (Bow River): What I am asking for is that advances be made. If they are made through the wheat board then the federal government must pay the interest charges. After all, the farmers complied with requests made by the government, particularly during wartime, to increase production. At that time the Minister of Agriculture promised that if the farmers would do that he would see to it that they would sustain no loss in the days to come. The fact is that they lost between $300 and $400 million, and then the Minister of Trade and Commerce reluctantly gave them $65 million in settlement of those losses. That is how this government has lived up to its obligations.

One of the main bones of contention in western Canada is the tremendous interest rate being charged. I submit that it is a tremendous interest rate. That is what is causing the uproar more than anything else. That is the great difference between making loans through the chartered banks and having advances made. There is no organization that I know of that came out and asked for 5 per cent interest rates, yet the Minister of Trade and Commerce says that he went to western Canada to see what the need was and after hearing all these representations he decided that they wanted loans at 5 per cent.

Mr. Gardiner: Did I say that?

Mr. Johnston (Bow River): I doubt if any organization ever asked the Minister of Agriculture or the Minister of Trade and Commerce for loans at 5 per cent. Will the minister answer that question?

[Mr. Johnston (Bow River).]

Mr. Gardiner: I was just asking you when I said it.

Mr. Johnston (Bow River): I said I doubted if ever anyone asked you for that. Of course you did not go out on those visits with the Minister of Trade and Commerce.

Mr. Gardiner: I always live on my farm for two to two and a half months every summer, and I was out there from the middle of July to the end of September. I heard those discussions.

Mr. Johnston (Bow River): You should get around and meet the people and not stay on your farm in between sessions. The rest of us try to get out and meet the people and find out what is going on.

Mr. Gardiner: About the only place I stayed away from was the by-election in Alberta.

An hon. Member: You lost out on that one.

Mr. Johnston (Bow River): While we are speaking of this interest charge, Mr. Chairman, may I indicate to you what the Minister of Trade and Commerce had to say about this matter as reported at page 127 of *Hansard*, this is what he said:

> It has been said that the interest rate is too high at 5 per cent. I have been a borrower from banks all my life, and I have never yet succeeded in borrowing money from a bank at less than 5 per cent . . . I therefore cannot be too greatly concerned about objections—

So he did receive objections.

An hon. Member: But he is not concerned.

Mr. Johnston (Bow River): He said:

> I therefore cannot be too greatly concerned about objections to guaranteed loans bearing an interest rate of 5 per cent.

Yet almost every organization in western Canada had sent a brief to the minister or had sent representations here, and protest meetings were held throughout the west by farmers' and other organizations. The minister disregards these things and he says, "I cannot be too greatly concerned about them".

Mr. Gardiner: I was not listening. Is the hon. member quoting me?

Mr. Quelch: No. He is quoting your colleague the Minister of Trade and Commerce.

Mr. Johnston (Bow River): Does the minister object to that, too? I should not be surprised if the Minister of Agriculture objected to that because I would certainly object to it if I were he.

Mr. Gardiner: I may answer your suggestion by saying this. In the 40 years I have been in politics I have listened to everything

that everybody has had to say and then I have tried to arrive at a reasonable conclusion as to what ought to be done, using my own intelligence along with what they had to say.

Mr. Knowles: You are the sum of all you have met.

Mr. Johnston (Bow River): I wish the Minister of Agriculture could sit a little bit closer to the Minister of Trade and Commerce so he could inject some of those ideas into him. If he could succeed in doing that he might improve the situation a little bit. A while ago the Minister of Agriculture was pointing out that in western Canada there was a need for these loans. But as to the Minister of Trade and Commerce, while he admitted that there was a slight need and that we were putting this legislation through for those few who were in necessitous circumstances, this is exactly what he said as reported at page 129 of *Hansard*:

> Apart from that,—

And "that" refers to the storage price.

> —it did not seem to me that there was any particular burden on the farmer through this condition of plenty.

If I may interpret that statement, I would say this. Apart from that, it did not seem to him that there was any particular burden on the farmer through the condition of surplus. I think that would be a fair interpretation of that statement. Yet the Minister of Agriculture disagrees with him strongly, as does almost everyone in western Canada. They disagree with him so strongly that they have protested in every way possible. It seems to me that the minister should have been fair enough, after hearing all these representations almost without exception asking for advances interest free, or if there should happen to be an interest rate, that it should not be more than 2 per cent.

That could have been done, and the banks could have done it if he had wanted to do it through the banks. They could have done it for at least 2 per cent or 2½ per cent or 3 per cent. As I pointed out the other day, the province of Alberta made loans to their municipalities at 2 per cent, and they did not have the guarantee of the dominion government behind them. They never lost one penny on the loans. Surely if the provincial government can do that with their limited means of getting money, then the federal government with almost unlimited means should be able to equal the provincial government in that regard.

I want to say to you, Mr. Chairman, that while we as Social Crediters strongly object to this legislation—and we have tried our best and in no uncertain terms to convince the government that it is wrong and that it should change its policy—we realize the necessity, as does the Minister of Agriculture and as do the farmers in western Canada who need some assistance. We therefore intend to support this legislation, knowing at the same time that it falls far short of meeting the requirements or what was asked for by the farmers of western Canada and the various organizations there.

Just let me close by saying that I believe the federal government never intended that these loans would be of much use. The minister said he was basing his calculations on the 1951 loan, and in 1951 only 1,500 farmers accepted that assistance and there was a total lending of $625,000. That was because the interest rate was too high. Now over 2,000 farmers have asked for loans and they have borrowed over $2 million. In conclusion let me draw this inference. I believe that the minister never intended these loans to be used except in dire necessity, for this is what he had to say in Calgary on November 28:

> It is my hope and belief that comparatively limited use will be made of the lending facilities, that most farmers are either in a position to carry on without borrowing, or are in a position to finance in the ordinary way.

He never intended that they should use this legislation.

Mr. Cameron (Nanaimo): I have a question that I should like to ask the Minister of Agriculture arising out of his remarks a few moments ago. Do I understand that the banks are revealing to the minister's staff the names of those who are borrowing under this act?

Mr. Howe (Port Arthur): Mr. Chairman, perhaps I can answer that question. The government, being guarantor of the loans, is entitled to know the amount of its liability. That information is furnished to us. I can say that at the end of the year about 8,000 farmers had borrowed about $7 million, an average of about $800 a loan. The names are not given and they are not requested.

Mr. Cameron (Nanaimo): It is necessary for me to square that answer with the comment made by the Minister of Agriculture when he said he knew who borrowed the first loan in a certain place. I want to know how he knew who that individual was.

Mr. Gardiner: I read it from this slip that is in my hand.

Mr. Johnston (Bow River): What is that slip?

Mr. Gardiner: It was supplied from the community where the discussion took place.

But in fairness to the individual I think I should ask permission of the committee to strike the name out of *Hansard* if it appears.

Mr. Cameron (Nanaimo): I am not satisfied with that answer. There is a serious principle involved here. Apparently the banks, in certain instances, are revealing to the agents of the minister the names of those who are borrowing under this act. Otherwise there is no way in which he could have known who had obtained the first loan.

Mr. Gardiner: No. It was a matter of discussion at a public meeting before 200 people. I had a discussion with this gentleman there. The first day loans were available he went in to get the loan. He told us he could not get it. He appealed to me to help him get it. I advised him to apply later when the regulations were adjusted. It was stated at the meeting by an official of the farmers union he would likely get the loan. It was stated later that he got it.

Mr. Ellis: How do you know he was the first?

Some hon. Members: Question.

The Chairman: The hon. member for Macleod.

Mr. Hansell: Mr. Chairman, I do not rise to make an extended speech, but I should like to ask the minister a question. Did he receive representations from any other lending institutions asking the same guarantees as this legislation is going to give the banks? If so, what was the particular reason for refusing to grant that same protection?

Mr. Howe (Port Arthur): Yes, there was a request from—is it the credit unions of Alberta?

Mr. Hansell: If I may help the minister, it was from the government of Alberta through its treasury branch.

Mr. Howe (Port Arthur): The difficulty was that we wanted the protection of the federal Bank Act. We could not obtain that if we used any institution other than the chartered banks. We were advised by our legal staff that the loans should be confined to chartered banks, and that course was followed.

Mr. Hansell: I should like the minister to explain what he means by saying that they wanted the protection of the Bank Act. Does he mean the present government wanted the protection of the Bank Act?

Mr. Howe (Port Arthur): That is correct.

Mr. Hansell: I wish he would elaborate on that a bit, because I do not understand how the government could have the protection of the Bank Act. As I see it, the position is this. The Alberta government asked for the same guarantees that were given to the chartered banks. Whether there is any legal complication involved I do not know, but I would suggest that the refusal to grant the Alberta government the same guarantees would indicate that the chartered banks are in a better position than the Alberta government, and I do not believe that is so.

Then there is a further remark I wish to make. I do not know whether or not the Alberta government through its treasury branches would have lent money at a rate of interest less than 5 per cent. However, it is conceivable that they could have done so, and it is conceivable that other lending institutions might have been able to lend money to the farmers in this emergency period for less than 5 per cent. I cannot bring myself to believe that the minister and the government were not aware of that, and I do not understand why they insisted that guarantees be given to the chartered banks at 5 per cent whether or not the farmer could get money at a lower rate of interest from other reputable institutions. I doubt whether there is an institution in a sounder financial position than the government of Alberta.

These are the observations I wish to make. If there was another way of granting loans to the farmers at less than 5 per cent, why did the government not seek that way and attempt to alleviate the condition of the farmers to the extent of a reduced interest charge?

Mr. Howe (Port Arthur): The guaranteed loans represent a comparatively small part of the loans that have been made against farmers' wheat. I understand that about $7 million has been lent under guarantees, and that close to $70 million has been lent by the chartered banks in western Canada. What interest they have charged on loans that are not guaranteed I do not know. I am perfectly sure that the government of Alberta is also lending money to farmers, and it is quite possible that my hon. friend is correct in saying that they lend at less than 5 per cent. I hope so. If that is the case, the farmers of the province of Alberta have the benefit.

However, the Bank Act is an act passed by this parliament. The guarantee is a guarantee given by this parliament. Therefore it was felt that the guarantee could only be given for loans through banks operating under the legislation of this parliament.

Mr. Castleden: Mr. Chairman, I believe it is a very fine thing that the debate on this issue has stirred the house to the extent it has today. I think it emphasizes the fact that serious injustice is being suffered by the people of the prairie provinces, and that the

members representing those areas are energetic, emphatic and determined in their efforts to bring this matter to the attention of the house in the hope that the government will do something about it.

Dealing with the situation in the few minutes I have left, I should like to start by saying we should all realize that the people of the prairie provinces, who form the backbone of the economy of those provinces, have suffered very severely not just this year but for a number of years. Some very excellent figures are available from the dominion bureau of statistics which show the terrific decline in net farm income. In 1952 net farm income in the province of Saskatchewan was approximately $565 million. In 1954, two years later, it had dropped to $126 million, a decrease of about $440 million. That is not gross but net income, and is a drop of about 77 per cent. As far as the farmers of Alberta are concerned, the drop there was about 50 per cent, and in Manitoba it was about 54 per cent. In the other provinces of Canada the worst decline was about 15 per cent.

I maintain that the position of the western farm producer is not understood. In fact it is misrepresented not only by the press of the country but sometimes even in the house. Hon. members should be made aware of the actual situation, which has not been presented properly. I was interested to hear the Minister of Agriculture say this afternoon that he was quite satisfied with what the present bank loan legislation had done. In the light of the position of the producers of the west the provision made does not amount to 10 per cent of what is needed. I would say that it only meets about 5 per cent of the actual and immediate need from which everyone in the west is suffering, not only the agricultural producers but the whole economy.

When these producers found themselves in an almost impossible position, tied hand and foot so they were almost unable to continue in operation, constantly harassed by debt, they needed something more than this and they asked the government for help. They said: We have the assets and we do not ask for a handout. Make it possible for us to realize some cash on the assets we have. We have just harvested one of the largest crops of the best quality grain. You have failed to give us box cars whereby we can deliver it. Our bins are overloaded. For heaven's sake give us advances on grain properly stored in our bins. If that is made possible then we can carry on. Every delegation from the western prairies and every representation made has made it known to the government that this is the minimum required to meet their need.

I should like to call it five o'clock.

Grain

The Chairman: I wonder whether I might crave the indulgence of the committee before rising to make a few remarks with regard to the votes that took place in committee today. This morning several members to my right entered the house while I was reading the question. In the vote in committee this afternoon several members to my left entered the house, I believe, while the count was going on. I do not wish to criticize those members in any way because there was considerable obscurity under the old rule as to the position with regard to entering the house or the committee during a vote. The old rule, as hon. members know, read as follows. It is rule 12 (2):

> When Mr. Speaker is putting a question, no member shall walk out of or across the house, or make any noise or disturbance.

I must admit there was some obscurity in my own mind as well, because this morning I had forgotten that the rules committee and the house had changed rule 12 (2) to include the word "enter", so that the new rule now reads as follows:

> When Mr. Speaker is putting a question, no member shall enter, walk out of or across the house, or make any noise or disturbance.

I was, therefore, inaccurate this morning when I said that while I was reading the question any hon. members who wished might have the right to enter the house. Under these circumstances I intend to say no more about the votes, and I think it might be fair and impartial to allow them to stand as previously recorded.

I have this suggestion to make, however, which would be, I think, of guidance to members and would certainly be of assistance to the deputy chairman and myself. It is this. When putting a vote in committee, just before the question I think I might say, "The question is the following", and at that juncture hon. members might kindly take it that the question is being put and refrain from entering the house. If this suggestion meets with favour, I think it would guide all hon. members and give us, shall I call it, a cut-off point at which hon. members would feel free to enter the committee or feel that they must remain behind the curtain.

I will say nothing more about it at this time, but I do feel that suggestion might prove of assistance in the future.

Progress reported.

Mr. Deputy Speaker: Mr. Applewhaite of the committee of the whole reports that the committee has considered a certain resolution, has been directed to report progress, and

asks leave to sit again later this day or at the next sitting of the house, as the case may be.

Some hon. Members: Agreed.

INCOME TAX ACT

AMENDMENT TO PROVIDE FOR HEARING OF CORPORATION APPEALS IN PUBLIC

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 10, to amend the Income Tax Act (corporation appeals).

He said: This bill, Mr. Speaker, is a companion one to the bill which was debated and voted upon in the house yesterday. The arguments for and against Bill No. 9 of yesterday are substantially the same arguments that would be used for or against Bill No. 10 which is now before the house. It is not my intention, therefore, to speak more than a moment or two in presenting this bill to the house. I present it despite yesterday's defeat of Bill No. 9 in order to give hon. members who may have repented of their action of yesterday an opportunity to redeem themselves by voting today for the lifting of the iron curtain of secrecy with respect to corporation income tax matters, at least to some extent.

Whereas yesterday's bill dealt generally with corporation income tax returns, today's bill deals only with the hearing of corporation appeals before the income tax appeal board. At the present time there is a subsection in the Income Tax Act, subsection 2 of section 92, which reads as follows:

> An appeal may, in the discretion of the board, the chairman, the assistant chairman or hearing officer, as the case may be, be heard in camera or in public unless the appellant requests that it be heard in camera in which case it shall be so heard.

My amendment would simply add these words, "provided that if the appellant is a corporation the appeal shall be heard in public." In other words, just as yesterday we in this group took the view that corporation income tax matters are of public concern, and that the information in corporation income tax returns should be available to parliament, so today we take the view that corporation appeals to the income tax appeal board should be heard in public and not in camera.

As was the case yesterday, this bill leaves the matter of personal income tax appeals as they have been in the legislation. I remind hon. members, particularly those to my right in the Progressive Conservative party, of how anxious they were last year to get information as to who was the appellant in case No. 227 which was heard before the income tax appeal board. The question in that hearing revolved around the desire of a corporation to get income tax deductibility for money which it had spent entertaining certain government people—we do not know what government—in an attempt to win contracts from that particular government. I remind my friends to my right that they were just as annoyed as we were that the information as to who that appellant was could not be obtained. This is their opportunity to say that hearings of that kind should not be held in camera but would have to be held in public.

So, Mr. Speaker, rather than give the house again all the arguments for this bill, since they were given yesterday in support of Bill No. 9, I rest the case on the basis of yesterday's arguments and the additional remarks I have just made. I urge hon. members to take this opportunity to vote for a lifting, in part, of the iron curtain of secrecy with respect to corporation income tax matters.

Mr. E. G. Hansell (Macleod): I am not going to make a speech at all, Mr. Speaker, I am just rising to say that the same arguments which were used against favouring the bill yesterday are the ones we use today. The principle of this bill is the same as the principle involved in the bill that was before the house yesterday. I need say no more. The same arguments apply to this bill that applied to the other one.

Mr. Knowles: Don't you believe in repentance?

Mr. Hansell: Not in this respect.

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

Some hon. Members: Question.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, I might say just a word. As the sponsor of this bill has stated, we had a rather extensive debate yesterday on something very close in principle to the principle related to this bill, and I think the house expressed itself yesterday. I assume that it will express itself in the same way today.

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

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

YEAS

Messrs:

Argue	Bryson
Barnett	Cameron (Nanaimo)
Bryce	Campbell

Castleden
Coldwell
Ellis
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
MacInnis
McCullough (Moose Mountain)
Nicholson
Regier
Stewart (Winnipeg North)
Zaplitny—20.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Beaudry
Bell
Bennett
Bennett, Miss
Blackmore
Boucher
Brisson
Bruneau
Byrne
Cardiff
Carrick
Carter
Churchill
Dechene
Decore
Deschatelets
Deslieres
Dickey
Diefenbaker
Drew
Enfield
Eyre
Fairclough, Mrs.
Fairey
Forgie
Fulton
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Goode
Gourd (Chapleau)
Green
Gregg
Habel
Hamilton (Notre Dame de Grace)
Hanna
Hansell
Hardie
Harkness
Harris
Harrison
Hellyer
Henderson
Henry
Hodgson
Holowach
Houck
Howe (Port Arthur)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Lavigne
Leboe
Lennard
Lesage
MacDougall
MacKenzie
MacLean
MacNaught
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McWilliam
Mang
Masse
Matheson
Menard
Michaud
Mitchell (Sudbury)
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nixon
Nowlan
Patterson
Pearkes
Philpott
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Richardson
Roberge
Robertson
Robinson (Bruce)
Robinson (Simcoe East)
Rouleau
Rowe
Shipley, Mrs.
Simmons
Smith (Battle River-Camrose)
Stanton
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Thomas
Tustin
Viau
Villeneuve
Weaver
Weselak
Wylie
Yuill—122.

Small Loans Act

SMALL LOANS ACT

AMENDMENT TO PROVIDE FOR A REDUCTION IN RATE OF INTEREST

The house resumed, from Friday, January 27, consideration of the motion of Mr. Argue for the second reading of Bill No. 3, to amend the Small Loans Act.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, in the last couple of days we have had a great many debates on what we might call these hardy perennials which seem to spring up year after year from the opposition benches. I must say, however, that I am doubly astonished that the hon. member for Assiniboia (Mr. Argue) should have raised this particular question again this year. What do they want, jam on it?

An hon. Member: Sure.

An hon. Member: Don't forget the cream.

Mr. Philpott: When we talk about the welfare state we can go right down the list of welfare provisions which have been enacted by this government; old age pensions, unemployment insurance and the best system of family allowances in the whole world. This year, if you please, we have the announcement of national health insurance which is going to cost the taxpayers of this country plenty of money.

Just on this point, Mr. Speaker, I am sure that every hon. member from British Columbia, regardless of his party, will be extremely pleased that our province of British Columbia, by the announcement of the government today, has the honour of being the first province to announce its intention to come into the national health insurance scheme. Once again British Columbia lives up to its reputation.

I want to say to my friend the hon. member for Assiniboia, has he really no sense of responsibility—

Some hon. Members: No.

Mr. MacDougall: None.

Mr. Philpott: Is it possible, Mr. Speaker, to suggest increases in these allowances year after year without regard to the kind of taxation that will be required to pay for them and without regard to who is going to pay the extra taxes?

Mr. Knowles: Mr. Speaker, on a point of order, may I ask the hon. member what he thinks he is speaking to, if he knows?

Mr. Coldwell: I think the hon. gentleman is speaking on the wrong bill.

An hon. Member: You are doing a good job; keep going.

An hon. Member: There is no difference.

Mr. Churchill: This has been a bad week.

Mr. Philpott: Well, Mr. Speaker, I have to admit that in this particular case I am perhaps one jump ahead of the hon. member for Assiniboia, because I thought we were on the resolution for an increase in family allowances.

Some hon. Members: Oh, oh.

Mr. Knowles: Put him in the Senate.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker—

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker—

Mr. Harris: Please proceed.

Mr. Drew: Go on.

Mr. Harris: Mr. Speaker, I am quite certain the Leader of the Opposition will regret his generosity in a moment, but if he will not take my courtesy in the way I mean it I have to do what I intended to do; namely, point out again to the house that a year ago in response to a motion of this kind we did say that we would introduce legislation with respect to the Small Loans Act. We said that in the speech from the throne, and the bill has been presented to the Clerk of the house this afternoon.

Under these circumstances, and having in mind the rules of the house which prevent us from coming to an affirmative decision one way or another on this bill, or if we do, preclude us from considering the other, I therefore move the adjournment of this debate.

The house divided on the motion (Mr. Harris) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Boucher
Brisson
Bruneau
Byrne
Caron
Carrick
Carter
Dechene
Decore
Deschatelets
Deslieres
Dickey
Enfield
Eyre
Fairey
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Goode
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Houck
Howe (Port Arthur)
Jutras
Kickham
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Lavigne
Lesage
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McWilliam
Mang
Masse
Matheson
Menard
Michaud
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Philpott
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Richardson
Roberge
Robertson
Robinson (Simcoe East)
Rouleau
Shipley, Mrs.
Simmons
Stick
Stuart (Charlotte)
Studer
Thibault
Viau
Villeneuve
Weaver
Weir
Weselak—89.

NAYS

Messrs:

Argue
Barnett
Bell
Bennett, Miss
Blackmore
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Churchill
Coldwell
Diefenbaker
Drew
Ellis
Fairclough, Mrs.
Fulton
Gagnon
Green
Hamilton (Notre Dame de Grace)
Hansell
Harkness
Herridge
Hodgson
Holowach
Johnson (Kindersley)
Jones
Knight
Knowles
Leboe
Lennard
MacInnis
MacLean
McCullough (Moose Mountain)
Monteith
Montgomery
Murphy (Lambton West)
Nicholson
Patterson
Pearkes
Quelch
Regier
Robinson (Bruce)
Rowe
Smith (Battle River-Camrose)
Stanton
Stewart (Winnipeg North)
Thatcher
Thomas
Tustin
Wylie
Yuill
Zaplitny—54.

Mr. Speaker: The business reserved for this hour having been disposed of, the house will now revert to the business which was under consideration prior to five o'clock.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

The house resumed consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie

provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Mr. Castleden: Before time was called at five o'clock, Mr. Chairman, I was referring to the matter before the house under this resolution, and I was outlining why we were opposing this resolution, what the position of the producer was, what his requests were, why they were made, the government's offer, and what we think should be done.

This being assistance to the western grain producer, an opportunity to borrow money from the banks with the government guaranteeing those loans, people will wonder why it should not be considered as something of value. It is admitted that perhaps it is of a little bit of value. A 5 per cent loan may be a little bit better than a 6 per cent loan. We protest that the whole thing is inadequate and that even the loans, such as they are, will not take care of the situation which exists with respect to the producers there at the present time.

We are opposed to this measure because we think it is impracticable as a means of dealing with the situation. We think it is unjust. We oppose it because we believe it is wrong in principle to ask these people, who are in the position in which they now find themselves because of the actions of this government and the administration of this government—they are tied hand and foot and are unable to move—to go to the banks and make these loans and pay interest at 5 per cent on the money they borrow. This provision is niggardly and completely inadequate in the face of the need that exists, and it is not going to help those who need it most.

The farmers have asked for cash advances. Every organization has let the government know that cash advances are what the farmers need. The farmer with thousands of bushels of good grain in the bins on his farm has an asset. He should be allowed to deliver it. He is not allowed to deliver it because box cars are not available. There is some space in the elevators but there is not sufficient space to take care of the whole crop. But he says: I will hold this grain. You can, if you wish, come and inspect it, grade it in the bins, arrange to have a padlock placed on the bins if you like, as is done in the United States where similar loans are made. Enter it in my permit book against any deliveries which might be made in future; let them know that you have allowed me to have the money in advance for the assets which I have. As soon as I am permitted to deliver, you can deduct from my deliveries those advances which you have made. Surely such a request is not out of line with what should be granted. It is a relief to the farmer. It would be a relief to the whole economy.

If the government is responsible for the condition which exists, surely the government should be willing to pay the interest cost. They can get the money much more cheaply than can the farmer. Certainly the farmer does not feel it is right that he should be asked to pay 5 per cent on these advances. I will tell the government this. If they will let the farmer deliver his grain; if they will open the delivery points and get box cars so the farmer can deliver his grain, the farmer will be satisfied. That is all he is asking. Let him deliver. Then there will not be any demand for this kind of legislation. The whole economy is tied up because of lack of cash. Under the circumstances the farmer is surely not asking for something that is not right.

I find it difficult to convince people in this part of Canada of the situation that exists. I am surprised at the lack of knowledge on the part of people in the east with respect to the actual situation. The misunderstanding of the farmers' plight in the west, in my opinion, often stems from reports that appear in the papers about the condition of the farmers in the west.

I should like to give an indication of the kind of thing that I find in newspapers in the east which is a misrepresentation of the case. The other day I ran across an article in the Hamilton *Spectator* by H. M. Halliwell entitled "Prairie Letter". This is what this person has to say about the case of the western farmer:

> Just who is this fellow, the wheat farmer and what is his case against the rest of the country that he feels he should be helped? Well, he's a man of many parts. He's a big operator on, say, two sections of land or more, all paid for. He has a full line of implements, probably a house in the nearest town or city where he spends part of the winter if he doesn't go south or west, and he probably has 20, 30 or 40 thousand bushels of wheat in his bins to borrow money on if he can't sell it or protect him against crop failure.

This portrayal of the situation is entirely wrong. I remember a cartoon in one of the Ontario papers last year at the time we were suggesting that the situation of the prairie farmer was getting desperate because of the drop in net farm income and the constantly increasing cost of operation. We said that the first thing the government knew the farmers of the west would be marching on Ottawa. The cartoon that appeared in the paper showed the western farmers marching on Ottawa with the parliament buildings in the

background and a wide roadway in front. The roadway was lined with Cadillac cars and the western farmer was depicted with a ten gallon hat and a big cigar in his mouth. On the side of the cars were signs saying that on his way back from Florida he was marching on Ottawa to ask for help.

These are the kind of things that give an entirely wrong impression of the actual situation. Do the people of the east realize that the net income of farmers in the province of Saskatchewan alone has dropped by 77 per cent since 1952? It is true that in odd cases money was made in some areas of the province a few years ago when farmers picked up tracts of land cheaply and planted a crop, but that does not represent the average position. That is not the condition of the farmers today. With that kind of drop in their income something must be done. Surely any fair-minded person in the house will realize that a situation exists which requires action, and that is what we are asking now.

The request of the farmers was for cash advances. The misunderstanding of the farmers' position is, unfortunately, aggravated sometimes by statements made by cabinet ministers and sometimes by people representing the west who came down here. You will see reports in the newspapers that the farmers of the west were never so well off in their lives and never had it so good. That condition may have existed three years ago. Today the average farmer on the prairies is in desperate circumstances, and that is why he is protesting.

The reason the farmers of the west are opposed to the proposal of bank loans at 5 per cent is that such a provision is inadequate. When loans were first proposed he was told that this was a great solution, and that he was going to be allowed to borrow money from the bank. Some farmers have to travel 40, 50 or even 60 miles to get to a bank. I talked to one farmer who went to the bank. A number of people were lined up ahead of him and he had to wait for three hours in the bankers' outer office before he could see him.

When he did get in he had to fill out a loan application form. The name of the bank has to be filled in and the farmer has to give a complete report almost the same as in his permit book. He has to give particulars of land owned and land rented from others. He has to estimate the quantity of grain that will be available. At the bottom of the form there is this provision:

> In order to qualify for guarantee the amount of the loan must not exceed one-half the dollar amount inserted in paragraph 5 or $1,500, whichever is less . . .

He has to make all these entries that are made in his permit book. Then he has to make an estimate of his financial worth in accordance with the statement of affairs on the bank's form, and then fill in particulars of all liens or other claims. The bank manager tells me that after an application for a loan is received he has to sign the following certificate at the bottom of the application:

> I hereby certify that I have scrutinized and checked the foregoing application with the care required of me by the bank in the conduct of its ordinary business, and that at the time the loan was made the borrower produced to the bank the above-mentioned permit book for the farm described above and endorsed therein a direction as in form "GB" that one-half of all moneys payable in respect of grain delivered by him or on his behalf under the permit book be paid to the bank until the loan is repaid in full, and that to the best of my knowledge the terms of and conditions in accordance with which the loan was made are such as to qualify it for guarantee by the Minister of Finance.

The bank manager has to sign that certificate. He also informed me that his instructions required him to write to the secretary of the rural municipality in which the producer lived to find out whether there were any tax liens against the property or the grain held there by the farmer. He also had to write to the court house and have a search made to find out whether there was any other lien against the property or the grain. He also had to write to the Bank of Canada branch in Regina to find out whether there were any other encumberances against the farm. He said that it took weeks sometimes to do all this, and that there was great delay.

Not only was the value of the grain held by the farmer reduced by one-half, but the value of any grain which the farmer might have delivered was deducted from the amount of the loan that could be granted. Any arrears of taxes also had to be deducted, as well as any other encumbrances. The result was that the loan a man could receive from the bank amounted to very little. This extra security was required, but the only farmers who could get a sufficient amount to be of any help had to have such an amount of assets in the form of cattle, acreage and so on that they could get a loan from a bank anyway without all this trouble.

I should like to call it six o'clock, Mr. Chairman.

Progress reported.

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

HOUSE OF COMMONS

Monday, February 6, 1956

The house met at 4.30 p.m.

SIR ANTHONY EDEN

INCLUSION OF ADDRESS TO BOTH HOUSES OF PARLIAMENT IN PROCEEDINGS OF TODAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I beg leave to move, seconded by the honourable the Leader of the Opposition:

That the address of the Right Honourable Sir Anthony Eden, Prime Minister of the United Kingdom, delivered before the members of the Senate and of the House of Commons of Canada in the chamber of the House of Commons on February 6, 1956, together with introductory and related speeches, be included in the House of Commons debates and form part of the permanent records of this parliament.

Motion agreed to.

SMALL LOANS ACT

AMENDMENTS RESPECTING COSTS, LICENCES, REPAYMENT, ETC.

Hon. W. E. Harris (Minister of Finance) moved for leave to introduce Bill No. 51, to amend the Small Loans Act.

Motion agreed to and bill read the first time.

INCOME TAX ACT

AMENDMENTS RESPECTING ASSESSMENTS, BOOKS AND RECORDS, ETC.

Mr. E. D. Fulton (Kamloops) moved for leave to introduce Bill No. 52, to amend the Income Tax Act.

Some hon. Members: Explain.

Mr. Fulton: The purpose of this bill is to reduce the time within which the department can reopen an assessment from six years to three years, except in the case of fraud or wilful misrepresentation.

Motion agreed to and bill read the first time.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE

Right Hon. C. D. Howe (Minister of Trade and Commerce) 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 for the constitution of the corporation to be known as the Northern Ontario Pipe Line Crown Corporation for the purposes, *inter alia*, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario and of leasing, with an option to purchase, the said natural gas pipe line to the Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of the said pipe line in connection with such purchase option;

To provide also that the corporation may do such things as are conducive to the attainment of these purposes, that it may borrow money, the aggregate of the amounts borrowed by the corporation and outstanding at any time and the aggregate of the amounts loaned by the Minister of Finance and outstanding at any time not to exceed one hundred and thirty million dollars;

To provide further for the appointment and remuneration of directors, officers and employees incidental to the administration of the act.

Motion agreed to.

MOTIONS FOR PAPERS

UNITED STATES WHEAT DISPOSAL PROGRAM

Motion No. 3—**Mr. Argue:**

For a copy of all communications exchanged between the government of Canada and the government of the United States from January 1, 1955 to December 31, 1955, relating to the United States wheat disposal program.

Mr. Howe (Port Arthur): Mr. Speaker, at an earlier sitting I stated that it was not in the public interest to produce the correspondence referred to in this resolution.

Mr. Speaker: Shall the motion be dropped?

Some hon. Members: Agreed.

Mr. Speaker: Dropped.

CASH ADVANCES ON FARM-STORED GRAIN

Motion No. 12—**Mr. Diefenbaker:**

For a copy of all resolutions supporting the demand for cash advances on farm-stored wheat which have been received from western farm organizations and other public bodies, by the Prime Minister and any of the ministers of the government, or officials of the government, since the 15th day of August, 1955.

BRISTOL AIRCRAFT, LTD.—LAY-OFFS

Motion No. 18—**Mr. Knowles:**

For a copy of all communications received by any federal cabinet minister, dated at any time since December 1, 1955, with reference to lay-offs at Bristol Aircraft Limited, at Winnipeg, and for a copy of all replies thereto.

Motions for Papers

TRANS-CANADA PIPE LINES LTD.

Motion No. 19—**Mr. Zaplitny:**

For a copy of all correspondence, telegrams, memoranda and/or any other communications exchanged between the government or any department thereof, and Trans-Canada Pipe Lines Limited, from January 1, 1955, to date.

NORTHERN ONTARIO PIPE LINE

Motion No. 20—**Mr. Zaplitny:**

For a copy of all correspondence, telegrams, memoranda and/or any other communications exchanged between the government, or any department thereof, and the government of Ontario, or any department thereof, from January 1, 1955, to date, with respect to the proposed construction of a gas pipe line across northern Ontario.

He said: Mr. Speaker, I would request that this motion be dropped, in view of the motion that was passed the other day in the name of the hon. member for Rosetown-Biggar (Mr. Coldwell), and which asked for the same information.

Mr. Speaker: Is it agreed that the motion be dropped?

Some hon. Members: Agreed.

Mr. Speaker: Dropped.

FLOOD DAMAGE, SASKATCHEWAN

Motion No. 22—**Mr. McCullough (Moose Mountain):**

For a copy of all correspondence, telegrams, memoranda and other documents exchanged between the federal government or any department thereof and the premier of Saskatchewan or any department of the Saskatchewan government, from June 1, 1955 to date, in respect to flood damage in Saskatchewan during 1955.

Mr. St. Laurent (Quebec East): Before the order is complied with, Mr. Speaker, we will notify the government of Saskatchewan that the house desires the production of these documents.

Mr. Speaker: The motion is carried subject to the observations made by the Prime Minister.

BANFF NATIONAL PARK—TRANS-CANADA HIGHWAY

Motion No. 23—**Mr. Johnston (Bow River):**

For a copy of all correspondence and other documents exchanged between the Department of Northern Affairs and National Resources and the Department of Public Works and any person or persons, during the past three years, regarding the expropriation of property in the Banff national park for the construction of the trans-Canada highway.

Mr. Lesage: Mr. Speaker, this motion relates to documents and correspondence with regard to two properties in the Banff national park. The first one is the Wheatley property. Expropriation proceedings in that case are now before the Exchequer Court of Canada. The matter is *sub judice*. The second case involves the anthracite property. There are eight owners and the case of one of the owners is before the Exchequer Court of Canada. It is considered to be a test case. Consequently the whole subject matter is before the courts. I submit that according to Beauchesne, third edition, citation 295, the documents should not be produced. Moreover, it is not in the public interest to produce them.

Mr. Knowles: Anyway, you do not want to do so.

Mr. Speaker: In the circumstances shall this motion be dropped?

Some hon. Members: Agreed.

Mr. Speaker: Dropped.

EXPORT PERMITS FOR MUNITIONS TO EGYPT

Motion No. 24—**Mr. Diefenbaker:**

For a copy of all export permits covering non-competitive shipments of aircraft, aircraft parts or other munitions to Egypt, which have been issued since the 15th of June, 1955.

Mr. Howe (Port Arthur): Mr. Speaker, the subject matter of this resolution is covered by a statement which appears at page 832 of *Hansard*, under the heading "Statement as to Secrecy of Export Permits".

Mr. Diefenbaker: Mr. Speaker, I would ask you to call for the yeas and nays on this matter, because we do not accept the explanation.

Mr. Speaker: Those who are in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Aitken, Miss	Bryson
Argue	Cameron (Nanaimo)
Barnett	Castleden
Bell	Charlton
Blackmore	Churchill
Blair	Coldwell
Brooks	Diefenbaker
Bryce	Drew

Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—77.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blanchette
Bonnier
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dumas
Dupuis
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Harris
Harrison
Healy
Henderson
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Hunter
James
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCulloch (Pictou)
McIvor
McMillan
McWilliam
Mang
Marler
Matheson
Michaud
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—129.

MINISTERIAL ORDER OF JULY 7, 1955

Motion No. 25—**Mr. Fulton:**

For a copy of the ministerial order of July 7, 1955, authorizing the shipment of Harvard aircraft to Egypt.

Mr. St. Laurent (Quebec East): Mr. Speaker, this is probably another occasion where you will be asked to call for the yeas and nays. This motion is repeating the request which was made orally on Thursday by the Leader of the Opposition (Mr. Drew), as reported on page 787 of *Hansard*. At that time I explained why we felt the request could not be complied with. It now comes forward in the form of a motion for an order for return which we cannot accept.

Mr. Drew: Mr. Speaker, just so that we will understand the situation, are we to take it that there is a ministerial order but that it is the policy of the government not to produce it?

Mr. St. Laurent (Quebec East): There was a ministerial decision; I do not know whether it should be called an order.

Mr. Drew: That is what it was called.

Mr. St. Laurent (Quebec East): It was called an order, but I would not want the hon. gentleman to get the impression from my answer that it was a formal order recorded in the council minutes.

Mr. Speaker: Do I understand that there is agreement as to the dropping of this motion?

Some hon. Members: No.

Motions for Papers

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

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blackmore
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gagnon
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Harkness
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Leboe
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thatcher
Thomas
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Wylie
Yuill
Zaplitny—77.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Balcom
Batten
Benidickson
Bennett
Bertrand
Blanchette
Bonnier
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dumas
Dupuis
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Henderson
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCulloch (Pictou)
McIvor
McMillan
McWilliam
Mang
Marler
Matheson
Michaud
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)—133.

[Mr. Speaker.]

EXTERNAL AFFAIRS

STATEMENT ON POSITION OF EMBARGO ON ARMS SHIPMENTS

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, on Friday last the hon. member for Prince Albert asked me this question:

> What is the present position in regard to the embargo which the Prime Minister undertook to impose pending the foreign affairs debate on shipments of aircraft and armaments in general to the Middle East? Has the embargo which was imposed been lifted or is it still in effect? What is the position with regard thereto?

My answer was that the embargo had not been lifted and that the matter was then under consideration. It has been considered, and the embargo is now to be lifted at once. The government intends to continue the policy which has been in force of considering each application for military equipment on its merits and ensuring that if permission is granted it shall, in the future as in the past, be for military equipment of a type and quantity which could not provoke an arms race or provide an incentive to

aggression. If the political situation in the area should change in a way which would make inadvisable any shipments of any kind, necessary action to refuse applications or postpone shipments will be taken.

ISRAELI-ARAB BORDERS—PARTICIPATION BY CANADA IN SUPERVISORY FORCE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister. Has the government given consideration to any request that Canada supply 500 personnel to an international border supervisory security force for Palestine? If so, has any consideration been given to the transfer of some of the Canadian troops now in West Germany to that international police force to preserve and assure peace in the Middle East?

Right Hon. L. S. St. Laurent (Prime Minister): No, there has been no request sent to Canada for a force of that character, and naturally no such consideration has been given in view of the fact that no request has been made.

EXPORT AND IMPORT PERMITS ACT

INQUIRY AS TO TABLING OF ANNUAL REPORT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Minister of Trade and Commerce what is delaying the tabling of the annual report under the Export and Import Permits Act, which is required to be tabled in the house as soon as practicable after December 31. I am speaking of the report on the operations for the calendar year 1955.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understood we had some three months to comply with that requirement. I presume the report is taking the ordinary course. I shall make inquiries and see whether it can be speeded up.

Mr. Fleming: Is the minister aware that last year the report for the calendar year 1954 was tabled in the house at an earlier date than this?

LABOUR CONDITIONS

GENERAL MOTORS STRIKE—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. C. E. Johnston (Bow River): I should like to direct a question to the Minister of Labour. Would the minister tell the house what progress is being made toward a settlement of the General Motors strike at Oshawa and, if no progress is being made, does the federal government anticipate taking any measure to effect a settlement?

Hon. Milton F. Gregg (Minister of Labour): This is a dispute that is entirely under provincial jurisdiction. The answer to the second part of the question is no.

DEFENCE PRODUCTION

PRODUCTION OF GUIDED MISSILES AT CANADAIR PLANT

On the orders of the day:

Mr. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of Defence Production. The question is prompted by an advertisement in the Ottawa *Journal* of February 3—

Some hon. Members: Question.

Mr. Harkness: —which reads:

Canadair, guided missiles department, has an immediate opening for an electronics engineer.

Some hon. Members: Question.

Mr. Speaker: Order.

Mr. Harkness: The question is, what guided missiles are being made at Canadair and for whom are they being manufactured?

Right Hon. C. D. Howe (Minister of Defence Production): Any work on guided missiles in Canadair is undoubtedly for the Canadian government. I do not know that I wish to name the weapon at the moment, although I will make inquiries and see whether I can do so on another occasion.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO ALLEGED CANCELLATION OF PROGRAM

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I should like to direct a question to the Minister of National Revenue. Why was the discussion on the book "The Age of Mackenzie King" cancelled by the C.B.C.?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I have asked the C.B.C. about this matter and I am informed that it was not a case of cancelling a program. The C.B.C. reports that, while some consideration was given to the book as a possible subject for a national television network discussion, on consideration it was not thought to be a good basis for such a discussion.

Inquiries of the Ministry

NATIONAL DEFENCE

MINTO ARMOURIES, WINNIPEG—INQUIRY AS TO RECONSTRUCTION

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of National Defence. Is it the intention of the government to reconstruct in the near future the Minto armouries in the city of Winnipeg, which were recently damaged by fire?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, the situation is now being reviewed. As of now the intention would be to reconstruct the armouries. They are not entirely destroyed. But until we have a final review of the cost involved, the state of the building, and other relevant factors, I cannot give a final answer.

REFERENCE TO ACCIDENT AT BRAMPTON, ONTARIO

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of National Defence. Is the report correct in the newspapers to the effect that the pilots who were killed at Brampton were practising forced landings?

Hon. R. O. Campney (Minister of National Defence): I am not aware of the circumstances of that unfortunate accident. It is being looked into, but I have no report as yet. I am sorry, therefore, that I cannot at the moment answer the question.

Mr. Diefenbaker: They were using Chipmunks, too.

FISHERIES

SALMON—REPORTED RECOMMENDATION TO CLOSE STRAIT OF JUAN DE FUCA

On the orders of the day:

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, on January 31 the hon. member for Esquimalt-Saanich (Mr. Pearkes) asked me whether the recommendations of the international Pacific salmon fisheries commission for the 1956 sockeye salmon fishing regulations had been received. I replied that the recommendations had not been received but that when they were received a report would be made to the house.

The recommendations of the international Pacific salmon fisheries commission have now been received in the department and are being studied. The recommendations ask that, for conservation reasons during the 1956 season, the area generally referred to as Juan de Fuca straits be closed to salmon net fishing from June 28 to August 5 inclusive and that such closure be made effective under authority of the Fisheries Act in so far as Canadian nationals are concerned. The commission has recommended similar action to the government of the United States regarding United States nationals on the American side of Juan de Fuca straits, the regulations to be made effective under the legislation of the state of Washington.

The commission also proposes to prohibit salmon net fishing in outside waters, that is west of a line from Bonilla point to Tatoosh island for both Canadian and American fishermen. This latter regulation is made by the commission itself under the provisions of the international sockeye salmon convention.

The commission's recommendations regarding closure of the Juan de Fuca straits area are being studied by officials of the department and an announcement will be made in due course. Salmon net fishing in the area in question does not normally commence until the latter part of June.

TRANSPORT

YARMOUTH-BOSTON—REQUEST FOR CONTINUATION OF FREIGHT SERVICE

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): I wish to direct to the Minister of Transport a question of which I have been unable to send him notice. Has the minister received communications from shippers in western Nova Scotia with respect to the termination of freight service between Yarmouth and Boston? If so, will the minister be prepared to make a recommendation for the continuation of this service for the time being?

Hon. George C. Marler (Minister of Transport): Some representations have been received and are under consideration, but no final decision has been taken.

BRIDGES

PETERBOROUGH—STATEMENT ON OPENING OF SWING BRIDGE OVER TRENT CANAL

On the orders of the day:

Hon. George C. Marler (Minister of Transport): While I am on my feet, Mr. Speaker, I should like to reply to the question asked me last Friday by my friend the hon. member for Peterborough (Mr. Fraser).

I am informed that the Canadian Bridge Company Limited, who have the contract for erecting the Warsaw road bridge over the Trent canal at Peterborough, have been delayed by a shortage of steel. However, the

steel members have been secured, fabrication is nearing completion, and it is expected that the bridge will be completed about April 20.

TRADE

STRATEGIC MATERIALS—INQUIRY AS TO CHANGES IN LIST

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Prime Minister or the Minister of Trade and Commerce whether the list of strategic materials the export of which is banned to countries behind the iron curtain is now under consideration? Are any changes in contemplation or have any been discussed with Great Britain or the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The list of strategic materials is revised from time to time by a committee of the NATO organization. I think the last revision took place seven or eight months ago. I have not heard of any further revision since then.

PRIVILEGE

MR. DREW—REFERENCE TO ARTICLE IN WINNIPEG "FREE PRESS"

Hon. George A. Drew (Leader of the Opposition): Before the orders of the day are called I rise on a question of privilege. In the edition of Friday, February 3, of the Winnipeg *Free Press*, on the editorial page, there is an article headed "One Solution Overlooked". From it I shall read a short statement that indicates that serious misinformation has been given to the public without, I am sure, the intention to do so. It reads as follows:

> It is a curious fact that so far no party has advocated payment by the wheat board on the farms—that is, neither lending nor advancing money but making a partial payment on the farm.

Some hon. Members: Order.

Mr. Drew: Then it goes on later to state this:

> The Conservative party favours loans as of right through the wheat board.

And again this statement is made:

> The loans or advances proposed alike by the Liberal, Conservative and C.C.F. parties would be repayable by farmers in cash.

Mr. Speaker, that statement going out to a large number of readers of this paper gives an impression that is difficult to reconcile with what has been stated clearly and emphatically in this house. I would refer—

Shipment of Arms Abroad

Mr. Speaker: May I interrupt the Leader of the Opposition to point out that in my humble view he cannot, on a question of privilege, debate in this house what appears in the press as their interpretation of what has happened in this house. The debate in this house is one which must take place between members. If the press make their own interpretation of what has been said or of what has taken place in this house and we then proceed further to debate the matter with them, I think we are departing from the rules of the house.

Mr. Drew: Your Honour, I was about to follow a practice that has been followed here on numerous occasions. I was about to read from *Hansard* in order to show what I had said with regard to this matter, which has been misrepresented to the public. I would ask Your Honour whether I am permitted to quote from *Hansard* remarks I made in the opening speech I made in the debate on the speech from the throne.

Mr. Speaker: The Leader of the Opposition will understand the position I am taking. If in the editorial there had been a direct quotation relating to the Leader of the Opposition it would be a different proposition. It would have been a misconstruction of his words uttered in this house. But from what he has read, I understand that the editorial is perhaps misunderstanding what has been said. Perhaps they are all wrong, but that is a matter of debate. The Leader of the Opposition should seek another opportunity to debate the matter. He should not rise on a question of privilege in order to argue it out now. Now that he has referred to the matter again, perhaps the newspaper will understand the matter better next time. My point is that I do not think a question of privilege should be raised for the purpose which the Leader of the Opposition has in mind at the moment.

Mr. Drew: I do not propose to debate the ruling, Mr. Speaker. It is not debatable. I shall avail myself later this week of an opportunity of placing the record properly before the house.

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply.

SHIPMENT OF ARMS ABROAD

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is the first opportunity this session, on going into supply, for

Her Majesty's loyal opposition to raise a matter of importance and draw to the attention of the house a subject which, in the opinion of the opposition, deserves serious consideration.

For the last several weeks we have been considering some matters pertaining to the procedure followed by the government in dealing with the shipment abroad of military equipment, and a number of questions have been asked from time to time in order to obtain information. Some confusion has arisen with regard to the method and procedure followed in the shipment of military equipment from this country, not only in the minds of the members of this house but perhaps across the country, and there may even be some confusion in the minds of some members of the cabinet.

It would be interesting to clear up some of the terms that have been used from time to time in reference to the shipment of arms, ammunition and military equipment, such as orders in council, ministerial orders, ministerial decisions, export permits, and terms of that nature. I intend to move a motion to the effect that this matter be turned over to a committee of the house. At this stage I shall read but will not move the motion which will form the basis for the debate, and on which I hope to base my argument. It reads:

> That, in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

The value of suggesting reference to the external affairs committee is that expedition will result from that method of procedure. That committee is well able, from its experience, to deal with a matter of this sort.

Ignorance of the law is no excuse, but ignorance of government policy and administrative procedures might be used as an excuse for a person's lack of knowledge of what is going on, because government policy is sometimes obscure, sometimes in a state of flux, and sometimes it remains unknown unless intensive investigation is carried on, or some accident occurs.

During the course of the last several weeks we have been endeavouring to obtain information with regard to this matter I have raised. We have uncovered confusion. To every member of this house examples will occur of answers which lead to various interpretations, answers which are only partial replies to the questions asked, and answers which appear not to be answers at all. I propose using as an example three questions

that I asked in the house dealing with three matters concerning which I thought we should have information. My first question is found at page 525 of *Hansard*. It was addressed to the Minister of Trade and Commerce and referred to mutilated gun barrels and breech blocks. I wanted to know whether those mutilated gun barrels and breech blocks were, if or when they were exported as scrap, beyond repair. Here is the minister's answer:

> The instructions to the disposal corporation are that before guns are scrapped, and before they leave the possession of the corporation, the breech blocks are to be demolished. In other words, they are mutilated beyond repair.

That was a reply to half my question. I was much more interested in gun barrels, and to that part of the question no reply has been forthcoming. A mutilated gun barrel, in army parlance, is one which is not beyond repair. When sent to an armourer it can be put back in shape rather quickly. Is there any use in my asking now of the Minister of Trade and Commerce whether or not during the year 1955, or the preceding year, mutilated gun barrels have been exported from Canada as scrap metal? In all probability I would get a reply to the effect that no scrap metal had been shipped from Canada last week, and I would be no further ahead.

My second question concerned the extent of our traffic in arms, ammunition and military supplies. I asked the Secretary of State for External Affairs, at page 521 of *Hansard*, whether or not we had sent any military equipment to any South American country in the last two years. This is the reply of the minister as recorded at page 557 of *Hansard*:

> The answer is, no permits were issued for guns, ammunition, or military weapons of any kind, or for military aircraft or military vehicles to South America.

Does that mean that no military equipment was shipped to South America? Can military equipment be shipped without permits? I am at a loss to know what the answer means. I would place opposite that answer in *Hansard* the information which I obtained from the dominion bureau of statistics, which shows that during the year 1954, and for the ten months of 1955, military equipment to the amount of $63,980 was shipped to Peru, Ecuador, Uruguay and Venezuela. I took extreme care, and I checked the atlas. I found that after all these years these countries are still in South America. The headings in the dominion bureau of statistics return are: "Guns, rifles and other firearms; cartridges, gun and rifle."

My third question, addressed to the same minister, had reference to the shipment of military equipment to the 34 sensitive areas he had mentioned earlier, with the exception of Israel and Egypt. His reply indicated that $1 million worth of military equipment had gone during the last two years to sensitive areas outside the British commonwealth but he felt unable to give the names of the areas to which that equipment had been sent, although I asked for the names of those areas. It occurs to me that it is possible that a committee sitting in camera would be given that information so the picture would be entirely clear. It is because of answers like that, and because of the even more confusing answers we have heard in response to other questions, that I am suggesting this whole matter be referred to a committee which could seriously attempt to unravel the skein of confusion which prevails with regard to the entire question of exports of arms, ammunition and military equipment.

It seems to me that in matters of this sort the government follows a course of concealment, and when the truth appears to have been discovered it is followed by a denial such as the one which said in effect that no planes had been sent to Egypt and no arms to South America. This is followed by certain grudging admissions when pressed, and if the matter is pursued further it culminates in certain guilty disclosures. At that stage panic sets in and a smoke screen is thrown up to confuse the issue completely, and the fall-out extends from coast to coast. Of course, at that stage it is also customary to blame the opposition for not having raised the question on some other earlier occasion when the matter might have been considered and the information given by the government.

Well, Mr. Speaker, what are we doing about the shipment of arms, ammunition and military equipment overseas? Unless we can bring this matter before a committee and make a diligent search into it we will not know exactly what is being done. We have been told that there is no prohibition concerning shipments to our allies in NATO or to the commonwealth countries, but that there is a prohibition in relation to the Sino-Russian bloc. The question then arises concerning shipments to other countries outside of those areas, and it is with regard to those other countries outside of NATO and the British commonwealth that I was in complete ignorance of the fact that we were engaging in commercial transactions involving arms and general military equipment.

We have had pointed out to us in this rather purple fringe area of activity that careful steps are taken to prevent any weapons going overseas that should not go, and things of that nature. Even today we were assured by the Prime Minister that in lifting the embargo the government was following the same policy as in the past. If I interpreted his words correctly they were to the effect that military equipment was not being shipped out of Canada to these countries of a nature that would encourage an arms race or be an incentive to aggression.

So we are informed that an elaborate control system has been set up; that such matters have to go before the cabinet and go through a procedure before three cabinet ministers; that various checks are involved that would secure Canada's position. The phrases used such as "consideration at cabinet level", "special care with regard to sensitive areas", "shipments only to defence departments", "assurances against re-export", "estimates of legitimate defence requirements of the receiving countries", "very special care that there is no temptation to commit aggression by the receiving country", indicate a very cautious approach indeed, as if the government realized that it was dealing with something of considerable significance to the people of Canada, as indeed it is.

But does the system work? It is only through an examination by a committee that we can find out whether or not that system does work. There is an escape clause—at least it is a confusing clause or phrase—in some of the information we have been given. The words used were, "shipments of any significance". We are told that such shipments have to go through the procedure that has been outlined. However, the words "any significance" have not been defined. What do they mean? Do they refer to the type of material that has been shipped or to the quantity or the value? We have not been told.

Another interesting question is, who makes the decision as to whether a shipment of military equipment is or is not significant? We are not informed with regard to that aspect of the question either. All arrows point to the minister in charge of the Department of Trade and Commerce, but the Secretary of State for External Affairs and the Minister of National Defence also bear some responsibility with regard to this matter.

At this point, in order that we may be reassured the cloak of righteousness is thrown over the shoulders of the cabinet. If only we knew the number of orders that had been received for jet planes and the alacrity with which the cabinet turned down those orders.

If only we knew the total value of equipment that has been ordered and refused. The government has been tempted and has resisted temptation.

Well, that may be very reassuring to some people but I am not sure whether it will be reassuring to the hon. members of this house. Then we are told that after all no great quantities have been shipped, and also that the weapons that have been shipped are not modern and dangerous.

Only a committee could find out the facts with regard to the procedure in the shipping of military equipment overseas to those countries outside NATO and the British commonwealth. How can we obtain that information in the house? That subject deserves intensive study.

There is a great danger in thinking that simply because great weapons of massive destruction have been developed over the last several years, weapons of so-called conventional design are not dangerous. It is wrong to think that simply because we are not shipping abroad atom and hydrogen bombs, jet planes, rockets and guided missiles and tanks, that we are shipping weapons that are not dangerous. Thinking in those terms you can reach the point where you think in effect that to kill men by obsolete and conventional weapons is not as objectionable as it is to kill them by modern means of mass destruction. We have it on the word of a person who heretofore has been considered competent to express opinions along those lines, and I would like to read the following words to the house:

> We hope that atomic weapons will never be used. We also hope that machine guns and howitzers will not be used. The danger is that the uncritical acceptance throughout the world of the reprehensible quality of atomic weapons as such, rather than of violence itself, may lead to an assumption that the use of "conventional" weapons to kill men in order to achieve political objectives is somehow not so objectionable. A man is equally dead if killed by a bullet, an arrow or an atomic blast. It is the use of force that is to be condemned, not the physical source of that force.

Those words come from a book entitled "Democracy in World Politics" of which I think the author is the Secretary of State for External Affairs (Mr. Pearson). Yet here he would have us believe that conventional weapons such as those we are disposing of are not modern and dangerous.

I would hope that the committee investigating this subject would consider our method of procedure, and in doing so find out what types of material were shipped overseas and whether or not we were sending modern and dangerous weapons. The purpose of weapons such as aeroplanes, tanks, guns, machine guns and rifles is to deliver upon the enemy an explosive charge or a bullet which will destroy or kill. A jet aeroplane without ammunition is not as useful as a helicopter and a tank without ammunition is not as useful to an army as a bulldozer. It is the ammunition which is the important factor along with the weapon.

In the first world war artillery and mortar fire killed thousands of men and machine gun fire killed tens of thousands. Machine guns dominated the battlefield until their power was broken after four years of static warfare by the invention and use of the tank. In the second world war more powerful weapons of destruction were invented and used, but many thousands of men fell before the fire of machine guns and rifles. The V-1 and V-2 were used toward the latter part of the war, but their destruction of civilian property and installations was not particularly important from the standpoint of the armies in the field.

Reporting in the latest issue of *U.S. News and World Report*, General Gruenther indicates that even if nuclear weapons are used there will still be need for armies to continue the use of conventional weapons. So how can you say they are not modern and dangerous? Therefore I submit that shipments of ammunition from this country to countries outside of NATO or other than countries which are our allies should be carefully examined. In what way are the permits issued? What controls are exercised to see that this ammunition does not get into the wrong channels?

An examination of the bureau of statistics report shows that in the last eight years Canada has shipped $800,000 worth of ammunition to Central America, the islands of the Caribbean and portions of South America. That would buy millions of rounds for rifles and machine guns. Why has Canada been shipping this type of material to areas which have nothing to do with us from the standpoint of our NATO alliance? What controls are exercised? Why are these shipments made? Is Canada entering into a traffic that represents an arms race and provides an incentive to aggression?

I notice that in 1949 over $20,000 worth of ammunition was shipped to the Dominican Republic. Why should the Dominican Republic want that amount of ammunition? I discovered that at that time that country feared an invasion from some of its neighbours and conferred upon its president full power to declare war. Consequently they needed ammunition. The adjoining neighbours whom they feared were Costa Rica, Panama and Cuba. Following its policy of balancing sides, of providing material to both sides so that

peace would be preserved, we find that Canada shipped about $40,000 of ammunition to those three areas.

Then I notice that in 1951 Cuba received over $100,000 worth of ammunition, and another $50,000 worth in 1952. What purpose was served by these shipments? Who issued the export permits? Were the needs and requirements of this country examined? We are told that extreme care is taken to determine the defensive requirements of a country, to see that the balance is not upset one way or another. What was going wrong in Cuba in 1951? The record shows that in the spring of 1952 the government of Cuba was overthrown. An officer obtained control of the army, and with all that ammunition handy he was able to unseat the government. At the same time there apparently was no threat from the neighbouring countries, so Canada did not supply a great deal, except the customary $13,000 worth of ammunition to Costa Rica.

Then as my third example let us see what was going on in 1954 in Central America that interested Canada. The record shows that in 1954 Guatemala got over $16,000 worth of ammunition from Canada. In the preceding year they got only $172 worth. That caught my attention and I wondered what in the world had happened in Guatemala. I looked into it and found that things were in a rather disturbed state in that country at that time. In 1953 important positions in the government had come under the control of the communists and in January, February and March of 1954 shipments of arms reached that country from Canada. But the Russians did it on a proper scale. When they play they play for high stakes, and a whole shipload totalling 2,000 tons of military supplies which were loaded at Stettin in Poland, ostensibly headed for Africa, reached Guatemala. Of course then the neighbouring states had to interest themselves in the problem, there was intervention in Guatemala, the government was overthrown and the situation was restored.

In 1954 Canada supplied $25,000 worth of ammunition to Costa Rica, which is not far away, $30,000 odd worth to Cuba and $15,000 worth to Panama. So in the year 1954 we find from the operation of the export permit system of this government that the Canadian government supplied ammunition to a communist controlled government in Guatemala. I think the committee might very well investigate the method by which our ammunition is disposed of.

I would like to ask this question. What is the final disposition of this ammunition? Has it been re-exported? Has it perhaps ended up in communist hands in Malaya or Indo-China? Has it perhaps ended up in the hands of some of the Mau Mau tribesmen of Kenya, or is it now in the hands of Algerian tribesmen? Once ammunition is exported to a world market without any effective control over its re-export, the most disastrous things may happen. It surely is shameful to think—and I hope a committee of inquiry shows otherwise—that perhaps Canadian-manufactured ammunition has fallen into the hands of people who with that ammunition will kill British and Australian troops in Malaya or French legionnaires in Algeria.

Those are some of the reasons I can advance for the need of a committee to examine our method in dealing with these modern and dangerous weapons. Ammunition does not become obsolete. The Hotchkiss, the Lewis, the Vickers, perhaps the Bren, are now considered obsolete and have been superseded by the Browning machine gun, but those same guns in the hands of men who are bent on fighting would be just as effective as they were 20 or 30 years ago, when they were considered modern and dangerous.

Canada has got itself into a very peculiar position with regard to trafficking in arms. The only way we can find out whether or not we are permitting the export of destructive weapons is by an investigation. An investigation would show whether our tinkering with military supplies to countries that are not our allies and are not engaged in assisting us against the one major opponent is not likely to do more to foment trouble and strife rather than to maintain peace.

What in the world has happened to the millions of rounds of ammunition sent down to Central America, the Caribbean and South America? Who knows now where that has gone? Perhaps it has made its way over to the sensitive area in the Middle East or some other sensitive area. Then what is going to be the outcome of this reckless disregard, as it appears to me, in handling that type of equipment? In the final analysis, trouble will break out somewhere and Canadian troops will be required to take some action. That is what may happen, and by all means we should resist and oppose anything like that happening.

We can only check the danger by a thorough investigation here in the House of Commons. We cannot do it by questions and answers on the orders of the day. That has been proven over the past three weeks. We can do it only by a thorough investigation. Such an investigation, laying before the committee and finally before the house the facts of the matter, will give us an indication as

to whether or not there has been any properly controlled policy or method of procedure on the part of the government. At the moment I think that the matter is completely out of control, and I think dollars have been the consideration.

I do not know how the moral aspect of it could be investigated, but we have had a new moral principle brought forward for our attention, to the effect that if a number of larger nations ship arms to an area where there is tension, it is not morally wrong for Canada to do so as well. That would be a nice question for our moral philosophers to deal with. Right or wrong is not to be determined by the morals involved but by numbers. It is an exercise in numerology. If we are not going to indulge in an arms race or permit other countries to engage in an arms race, as the Prime Minister pointed out today, how do we prevent it? How do we balance arms and ammunition against arms and ammunition? Do five hundred guns equal 500 guns? How many anti-aircraft guns equal one airplane? That is an impossible basis. There are so many other factors that have to be considered; the supply of ammunition, in which Canada is very active, the training of troops, leadership and morale.

In playing this game we are like children in a kindergarten piling up building blocks to see how high we can get them before they topple over. In supplying arms to both sides, Canada has got itself into a very awkward position, and only a thorough investigation by a committee of this house would determine whether or not the method of procedure of the government is sound and proper.

I see it is six o'clock, Mr. Speaker.

Mr. Speaker: May I be allowed to tell the hon. member for Winnipeg South Centre and those who will follow him in the discussion of the amendment he announced earlier that there appears to me, judging by the tenor of his arguments and the words used in his speech today, a very close relationship to the debate that took place not very long ago on a motion of want of confidence, moved when the debate on external affairs was arranged. He does not come to the same conclusion by his amendment, but perhaps we might have a debate which is not so repetitious of the one that took place the other day if arguments were directed more closely to the purport of the amendment he intends to move, and about which he spoke earlier.

At six o'clock the house took recess.

[Mr. Churchill.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Churchill: Mr. Speaker, it is my intention to bring my remarks to a conclusion in a very few minutes. Before the dinner hour I was dealing with the subject of the shipment from Canada of arms, ammunition and military equipment generally. I questioned the effectiveness of the present system of export permits in controlling those shipments. I gave just a few examples. The amounts of money involved are small in relation to the cost of airplanes and tanks. I was dealing with the cost of ammunition. Ammunition is cheap, but it is ammunition that kills.

To those who are impressed by size, let me say that a battalion of infantry attempting to cross 400 or 500 yards of open ground against a battery of 25-pounder or 105 millimetre guns—and those are terribly destructive weapons of war of great size—would have a greater chance of surviving and reaching its objective than if crossing the open ground against four machine guns properly sighted for cross-fire and firing small ammunition. Under our present system of export permits we are placing millions of rounds of small arms ammunition in the hands of men here and there throughout the world in order that they may kill each other.

I have urged that for the purpose of securing the necessary information in order that the house may make a decision, the whole matter should be referred to a committee. This is a method to which I am sure there is no objection, and the government may wish to adopt the suggestion in order that full information may be made available to the public. I therefore move, seconded by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan):

> That the motion be amended by deleting therefrom all the words after the word "That" and substituting therefor the following:
> "in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I rise to say that I am going to support the amendment, because I feel that after the discussions that have taken place in the house over the last few weeks there is considerable uneasiness in various parts of the country with respect to Canada's exports of munitions of war.

I am not suggesting that at the present time Canada is fomenting trouble anywhere in the world. That, I think, is not the intention either of the mover of the amendment or his

party. But I think it is wise that the house and the country should understand the procedures involved in the issue of permits for the export of munitions. We know very well that permits are not required for the export of war material to our allies in the North Atlantic Treaty Organization. Nor, I take it, is it the intention of the mover that we shall divulge to what extent we are supporting our sister nations of the commonwealth in the securing of the necessary arms and so on in order to defend themselves and our way of life if they or that way of life should be attacked.

But over the last few weeks we have had considerable discussion in the house, and many questions have been asked, regarding the export of airplanes, ammunition and guns by permit through private organizations. I have a very vivid recollection over the years of discussions in the house and throughout the country regarding the activities of these private companies. As a matter of fact, Mr. Speaker, I think they are no more scrupulous in their activities today than they were in days gone by when they were so frequently called, as they were the other evening by the hon. member for Esquimalt-Saanich (Mr. Pearkes), merchants of death.

I have noticed some of their activities in our own country over the last year or two. I was very annoyed, for example, by a photograph that appeared as an advertisement by Canadair in *Time* magazine, other magazines and some of the newspapers of this country. It so happens that I am a member of the church which was photographed and used in the advertisement. It is one of the largest churches of my denomination in the city of Ottawa. I refer to St. Matthew's church. The photograph in the advertisement showed a few people scattered throughout the church, and the implication was that we were not prepared either spiritually or through armaments to defend our way of life against communism. In fact that was the tenor of the advertising around the picture of this particular church and its interior.

The story of the photograph is rather interesting. Canadair secured the services of a well-known photographer. The church authorities did not know why the photograph was going to be taken. Canadair got about 20 elderly people from one of the homes in the city, took them to the church scattered them throughout the church so as to make it appear that the church was habitually empty when people were called to worship there. Yet I can testify—

Mr. Rowe: On a week day?

Mr. Coldwell: On a week day—that St. Matthew's church probably is one of the best attended churches in the city. If you go there on Sunday morning, as I hope some of you may do on occasion, you will find that the pews are full. Yet the advertising around the photograph conveyed the impression that this was one of the empty churches of today and referred to the danger of communism because our people were not paying sufficient attention to their spiritual obligations.

Mr. Harris: When did this occur?

Mr. Coldwell: Last spring; and the advertising appeared in the autumn of last year. The church is St. Matthew's church in this city.

Mr. Fleming: It was probably charged up to the public, too.

Mr. Coldwell: I may say I know very well what happened, because I am a member of that congregation. Here you have Canadair urging the production of war machines, planes and so on, advertising through the medium of the newspapers, *Time* and other magazines, and publishing what is in effect a false impression of what is actually the case so far as our churches are concerned. Nothing is sacred for some of these munition makers.

There we find an indication of precisely the kind of thing they will do. Consequently I think that in these times, when these people are finding it extremely profitable indeed to make munitions of war both for our own government and to send overseas, we should understand exactly how these munitions of war are allowed to be sent out of Canada. Indeed, I would go further and say that the amendment contains an extremely valuable suggestion. I say that for this reason. How many members of this House of Commons know precisely what is done with the large appropriations of money that we make for the provision of munitions of war for this country?

I have often felt that there is one aspect of our expenditures about which members of parliament know nothing. I refer to the expenditures that are made by the Department of National Defence for munitions of war. I am not for one moment indicating that in times like these we should not look to our defence. I am not for one moment saying that in times like these we are not obliged to see to it that we have the best possible equipment with which to defend ourselves and with which, if necessary, to assist our allies in the same cause in our joint defence. But I am saying that we should know precisely what is being done. I am saying that we should know what these

corporations—which are private corporations, and which get permits in order to export munitions of war—are doing, where they are sending their munitions, how they obtain these permits and what happens to be the manner of granting them.

I am therefore going to support this suggestion. It does not encompass very much. For example, it cannot be said that this amendment in any way embraces the kind of problem that we were discussing in connection with external affairs a week ago. It is much narrower than that. But it would give members of parliament, through the external affairs committee, an opportunity of making an inquiry into how these orders are being placed, and how these permits are being issued; and perchance we might widen that inquiry and find out how these munitions of war are being paid for. We should then be in better circumstances to understand some of the factors that enter into this great private industry.

As I say, we have built up in this country some powerful industries. I mentioned Canadair. As a matter of fact, Canadair is a creature of our own parliament. We laid the foundations of it. There are in our own country other organizations of the same sort to which, during the war, we provided valuable plants and facilities or to which, when the war was over, the plants and facilities that we had built up in order to win a great war were handed with little return to Canada, and today they are unfortunately the basis of an extremely profitable industry.

I am not going to elaborate, because the hon. member for Winnipeg South Centre went into the matter quite fully from his point of view and gave some reasons why this amendment has been moved. All I want to do tonight is just say to the house that here we have a proposal that will enable members of parliament to inquire into the export of munitions from this country; will give members of parliament an opportunity to understand how permits are issued; will give us a more comprehensive view of where some of these munitions have gone in the past; and will enable that committee to recommend to this parliament—not to the government—ways and means of exercising a greater measure of control.

As the hon. member for Winnipeg South Centre stated this afternoon, none of us knows to what extent the ammunition that was sent, for example, to South America has found its way to some other quarters. We do not know that. We do not know just where some of the munitions go after they leave this country. We should have a thorough understanding of what this involves. Of one thing I am quite sure. Neither the government or any member of it nor any member of this parliament wishes to provide any aggressive force with the means of making a war that might spread and involve all of us in it.

It was with considerable heartburning, Mr. Speaker, that last week I voted for the amendment that was moved by the official opposition, because I saw that we perhaps might be denying to one side munitions of war that the other side was getting from another source. I saw that. Yet at the same time I could not bring myself to accept the wide open exportation in which the government has been engaged over the last period of time, sending munitions of war into an area which was explosive—and to both sides.

I am not going to detain the house any longer, Mr. Speaker, except to say this. I have not had a chance to discuss the matter with my colleagues yet, but I am going to vote for the amendment as I suspect they will, too, because I believe it has some merit. I hope that we shall not have to vote on it. I should like to see the government say that they accept this proposal, and that they are prepared to send the matter to the external affairs committee and let its members investigate it fully.

Mr. E. G. Hansell (Macleod): Mr. Speaker, I am rather pleased that such an amendment as this has been presented in the house this evening, because it gives us a further opportunity to suggest a way by which this parliament and the Canadian people can become a little bit more satisfied that things are being done properly within some of the departments of government. There is no doubt that considerable confusion existed in the attempt the government made to answer a question some days ago.

I need not now recapitulate the events to which I refer. We all recognize the fact that a question was answered, that the answer had to be modified and corrected, and that eventually another answer came down after several of the departments had got together. It therefore occurs to me, Mr. Speaker, that there is just not enough co-ordination between certain departments of government. Perhaps they are not interrelated quite enough to carry on to the satisfaction of parliament the work of the country and the particular work affecting those departments. Perhaps there is an explanation of it.

Frankly, in some respects I have never been able to determine where the responsibility of one department ends and that of another department begins. Here I make reference to four separate departments of

government. We have the Department of External Affairs which deals with the relationships between this government and the governments of other countries on, shall we say, the diplomatic level. Then we have the Department of National Defence which has to do with the three branches of our forces and their relationship to other countries, wherever that relationship becomes involved. Then we have the Department of Defence Production, the responsibility of which is to see that—I was going to say war equipment—munitions and supplies are ordered, manufactured and delivered. Then we have the Department of Trade and Commerce, which strikes agreements with other countries.

It seems to me those four departments should be more correlated when it comes to the exports of munitions of war, because that is what they are. We can use the term "defence" all we like, so far as we in Canada are concerned we trust that those munitions will be used for the defence of our country. Nevertheless, if they are used, they will be used because there is war.

I say once again I do believe there is not enough co-ordination of these departments. If there had been, the confusion would not have arisen and would not have existed, and the answers to those questions would not have been brought down in the way they were. One of the questions was a very simple one. It was whether or not Harvard planes had been shipped to Egypt. It should not have taken very much investigation to answer that question adequately.

I recognize, Mr. Speaker, that we must give some little leeway in answers which are not just at the fingertips of the ministers when the questions are asked. I think we all appreciate your magnanimous view of that question period which takes place before entering on the orders of the day. Sometimes we spend as much as an hour asking the ministers questions during that period. It is an admirable thing, and I am not going to blame the ministers too harshly if they are not too fully informed of all the details when questions are fired across the floor of the house. They have no notes and have to trust to their memories.

I recognize that some of those departments of government are huge. All you have to do is to open a departmental telephone book and see how many telephones there are reaching out all over the city of Ottawa in connection with perhaps one department. They are huge departments employing vast numbers of people, and the minister is bound to rely upon some of his deputies and understudies for his information.

It is reasonable to suggest that in the end the government determines certain policies, and the minister relies upon his staff or his deputy to pursue the administration of the department in order to accomplish certain things within the policy which had been laid down. Therefore I am not going to be too harsh if the ministers do not immediately have at the tips of their tongues or the ends of their fingers all the details of the answers. But there is a way in which that can be handled. All the ministers have to do, as they often do, is rise and say that they are not acquainted with the answer at the time and that they will have to get some information on it, but they will see that the member asking the question gets the answer tomorrow. They have many experts and large staffs. Some of us wish we had some of them. It should not be too much to expect a minister to be able to supply us with a complete answer within 24 or 48 hours.

While I would be in favour of the amendment—and I think most of my colleagues in this corner of the house would be also—I do not know that I am altogether in favour of the speech made by the hon. gentleman who introduced it. I do not know, but to me the speech savoured a little of isolationist policy. Perhaps that will be denied, but that is all right; I will not make too much of it. I say now, I do not believe we can afford to be isolationists in the world in which we are living. That is one reason why this group voted against the two amendments that were proposed the other day on the shipment of armaments to the sensitive area in the Middle East.

Right here might I just interject and express a thought with respect to the advertisement to which the leader of the C.C.F., the hon. member for Rosetown-Biggar (Mr. Coldwell), referred. I read that advertisement after it was drawn to my attention. There is no doubt about it, there was reference to munitions of defence. I do believe, however, many people read that advertisement and perhaps concluded that it was a good one. The reference to armaments was not too pronounced.

Mr. Coldwell: Was the picture not a lie?

Mr. Hansell: I am coming to that. I am not now supporting the advertisement, but we should use well balanced judgment, because I doubt very much whether people's attention would have been drawn to it had the hon. member not mentioned it. There are a good many people who would read that advertisement and would say it was a good one. They would say, here is an advertisement which tells us to place a little more

dependence upon spiritual power than upon the power of arms. There are many people who would read it with that in mind.

As far as the church building is concerned, there was no mention of what building it was. To look at it you would think perhaps it was a fashionable church in New York city, and that very few people attended it. That is about the way you would look at it. I do not know the wisdom of mentioning what particular church it was. I agree with the hon. member that in this particular church they probably have a large congregation. While I am not an Anglican myself, I dodge around the city and I have been in that church. There was a good congregation when I was there. In fact, I must say that if you go to church on Sunday morning in Ottawa you will find the churches pretty well all filled.

However, there is that point there. People would get this from the advertisement, that we should depend on spiritual power more than we do, instead of relying on the force of arms. I mention that only in passing.

I said we in this party were not isolationists. That is why we voted against the amendments the other day. The world today is a very small world indeed, much smaller than it was a decade or a generation ago. We have only to read about supersonic jet propelled planes encircling the globe in a few hours in order to begin to realize how small the world really is. We are approaching a stage wherein no nation lives unto itself and we cannot ignore the fact that what happens to our neighbours—we are all neighbours in this world—is of very real concern to us.

Palestine, or to boil it down the state of Israel, is only a small piece of land. I believe there are farmers living in my own constituency who own and farm as much land as the total area of the state of Israel.

Mr. Coldwell: The total agricultural area, certainly.

Mr. Hansell: Yes, certainly. If a series of jet bombers were to strafe that country, they could do it within two or three minutes; it would not even take an hour. One might say that the state of Israel is an extremely sensitive area and arms should not be shipped there, but the argument can be used the other way. It is sensitive enough that this government should pay particular attention in respect of shipments to this area. It is not the withdrawal of arms from those areas that should concern the government but shipments of arms to those areas in order to stop any possible aggression.

If my information is correct, some of the iron curtain countries are shipping a great many armaments into the Arab states, perhaps to Egypt in particular at this time. Indeed that is a sensitive area. Perhaps if we knew the whole truth we would say that the government should pay a little more attention to shipping armaments there; I do not know. I do not like to be interpreted at this time as suggesting a lot of arms shipments; nevertheless the world today is in such a state of uncertainty that all governments bear a responsibility in this respect. Might I say too that I have no brief for this government. I think it is—

Mr. Harris: Pretty good?

Mr. Hansell: No, I do not think it is pretty good or we would not be out to try to unseat it. However, I am suggesting that if an outbreak of some magnitude should take place in the Middle East; if it should be revealed that one of the countries involved had called upon Canada for armaments and Canada, let us suppose, had refused to ship them, the very people who moved these amendments the other day would be among the first to criticize the government.

Mr. McIvor: Too little and too late.

Mr. Hansell: I say that because, after all, governments have responsibilities and they must take the consequences of their decisions too. Therefore I say I am not too critical of the government on that particular score. However, in talking about the responsibilities of government I would venture to say, and I do so with some modification, that I do not know just how far an opposition in parliament should exert itself in telling the government how it should do something. As I have said, I make that statement with some degree of modification, and the reason is this. Over the years I have heard the government say, although not in so many words, "Well, how would you do it?" Any government that has to come to our party and ask how we would do it had better move over, let us assume control and show them how to do it.

An hon. Member: You are not kidding.

Mr. Hansell: I am not convinced that we in the opposition should tell this government what to do; and when the government ask us how we would do it my answer is, "Well, why ask us? If you have to ask us, then you do not know how to do it."

Mr. Dufresne: Tell them where to go.

Mr. Hansell: The government has a responsibility. Parties go out at election time and place their platforms before the people. They bid for power to run the country. When the people have put them into office then the

responsibility of the government is to deliver the goods. Our responsibility is not now to tell the government how to do its job. As voices of the people our responsibility here, whether on this side of the house or on the government side, is to severely criticize the government if it does not accomplish the thing it was elected to do.

Let me deal with this matter of exports of munitions of war. I agree with what has been said in this respect, that no one can tell the ultimate destination of these munitions whether they be actual war machinery or ammunition. No one can tell the ultimate destination to which they may go. I do not know what might be involved in these agreements that are signed between Canada and other nations, but we do know that previous to the last war a great deal of scrap iron was sold to countries which became our enemies. In fact I was once told that certain shells were fired at our Canadian boys, blowing them into eternity; and when our boys went over and captured the enemy territory they found the following words indented on the shells, "Made in—" and it was the name of one of the allied countries. That is something which to me is an eternal tragedy, that munitions of war manufactured in this country might be used against our own forces. That is what happened in the last war. That is what happened when our scrap iron was sent to Japan. This subject was brought up in this house over and over again in debates held during the last war.

There is another point which I should like to place before you, Mr. Speaker, which makes this motion commendable. At this time we hear a lot of talk concerning strategic materials going to other countries, and the Minister of Trade and Commerce mentioned it this afternoon. I have never been able to determine what that means. What are strategic materials? I do not know, but I think we should know. I believe that one thing this proposed committee could very well do would be to demand to know exactly what constitutes strategic materials. Even foodstuffs could be strategic materials under certain given conditions.

There is another point I should like to make. I do not know whether this motion will pass; I do not know whether the government will be magnanimous enough to say, "Yes, we want to lay our cards on the table," but even at that I do not think we can expect to discover a great deal. I will tell you why. During the war years we set up the war expenditures committee, and for one session I happened to be a member of that committee. Its work was of such a nature that it continued during the recess, and many of us came back in the fall to continue our work even though parliament was not actually sitting.

We went into all sorts of things, contracts and one thing and another. We asked all the questions we wanted to ask. But hidden away in the estimates were items covering the expenditure of money to be used in the development of the atom bomb, and not one single member of parliament discovered them. That indicated pretty good work on the part of someone in keeping the secret. I do not believe any of us want to reveal such items as that, as we should be well balanced in our thinking. I agree that you cannot reveal to the enemy all you are doing, but this motion does not call for that.

All that is asked is that there be revealed to parliament the process by which this whole business of the export of munitions of war is carried on. That is really all it asks for. I would regard it as a sort of procedural motion, not as a want of confidence motion. It indicates a desire on the part of parliament to ask the government to put down its cards face up in respect to the process by which this whole business of the export of munitions of defence or of war to the rest of the world goes on.

I submit that is something we have a right to know. After all, we represent the people, and it is only through us that these demands can be made. It is only through members of parliament that these results can be obtained. The people cannot get them. How on earth can they get them? If they came to the government and wanted to know, would the government tell them? I do not think they would. They would regard it as something they should not reveal in that way. But members of parliament have the right to know the way these things are done.

That is all we are asking for, to be told the method by which it is done so we can come up with suggestions that may help the government. There could be no harm in that. If the government contend that possible recommendations are not as good as the practice they are following, they can scrap them. There is nothing mandatory about it. I should imagine the government would want to say, "If a committee can recommend a better way of doing this, then let us have it." That is the way I look upon the amendment, and for that reason we are going to vote for it.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, this problem of the control of armaments is certainly not new. It is something which has persisted all through history. I remember reading of the old days when the gentlemen of France objected to the use of

the crossbow by the English because it was an indecent weapon which resulted in the gentlemen getting killed. They suggested that the crossbow be abolished. Later on a similar objection was taken to the use of powder and guns. It was contended that they were indecent weapons which constituted a threat to chivalry, and therefore should be abolished.

So we have come down through the ages until today. In those days the opposition was not to the killing as much as it was to the method of killing. But the world has changed, and today we are looking upon this more realistically, as an objection to killing in itself. I think that is the gravamen of this debate, the basis for it, arising out of the discussions which have been taking place during the past few weeks.

As has been suggested by the hon. member for Macleod (Mr. Hansell), I suppose that technically this is a want of confidence motion; yet I am sure that if the government could see its way to accepting it, and I think they should, the matter could easily be resolved and there would be no question of confidence involved whatsoever. It does suggest something which I think the people of Canada want. They want an investigation into those matters which have been discussed during the past few weeks. They would like to see a committee of some kind established whereby a pattern would be laid down for this country to follow.

No country in the world has paid more lip service than Canada to the principles of the saving of life, the abolition of war and the United Nations. We have boasted of the fact that we were one of those responsible for the establishment of the United Nations; and I have heard it suggested that the distinguished gentleman, the Prime Minister, was father of the United Nations. We have heard praises heaped upon him throughout the years. The United Nations is supposed to be opposed to war and killing, and the charter of that organization says that all states shall settle disputes by peaceful means, and shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state.

Those are mighty principles, and I think they are principles which should be supported. If so, then why are we engaged in the sale of arms to countries which are not associated with us either through NATO or through the commonwealth? A little while ago the hon. member for Macleod said that this motion savored something of isolationism, but I can assure him that there is nothing isolationist in the motion. In so far as Canada is concerned, and in so far as the commonwealth is concerned, we believe that there should be complete freedom to do as we see fit in order to maintain our independence and to give us protection.

But when it comes to the sale of arms indiscriminately throughout the world, that is a different story entirely. Canada has taken an active part in the United Nations, not only in its organization but in the disarmament conferences that have been held. We have been members of those, and we have always urged disarmament. We have passed resolutions in the United Nations urging the countries of the world to disarm. On reading the minutes yesterday I noticed that we were the ones who negotiated with Russia and got that country to accept at least the nominal principle of disarmament.

Yet we have just listened to the hon. member for Winnipeg South Centre (Mr. Churchill) tell us about the countries to which we have been shipping arms. It is true the quantities are not so great, but I suggest it is not the quantity that counts, it is not a question of whether it is $1 million or $10 million worth of arms, because a bullet may mean a life. That is the way it should be considered. When bullets are sold lives are threatened and lives may be extinguished.

I suggest in all seriousness that in the way in which this government has been carrying on the sale of arms, even though they be in limited quantities, they have violated the principles of the United Nations, and have not been carrying out that principle which we have been preaching so long and so forcibly. In fact one might borrow a word that has been bandied about in the press lately; one might almost say they are United Nations deviates in the way they have acted in this matter. It is time to take a serious look at this. That is why this resolution has been moved.

There is something incongruous in their protestations of virtue on the one side and their practice on the other. Not only is it incongruous; it is almost an affectation, if not something very near to hypocrisy. It is true that they say it balances out. We send anti-aircraft guns to one country and the aircraft to the other, so that they will have an equal chance. When the guns shoot down the aircraft, we can say we did it. When the aircraft shoots the gun crew, we can say we did it. So we are all right, whichever way it goes. That is not, I think, the way in which this matter should be handled.

We were told that the procedure was a very simple one. I looked up the act today, the Export and Import Permits Act. It is a statute that was passed some years ago and

which expires, according to the act, in 1957. Under this act we have delegated certain powers to the Minister of Trade and Commerce. The governor in council can name products and countries. Then the Minister of Trade and Commerce decides whether permits will be issued. That is what the act says. Under it all the power is delegated to the minister. Even the greatest critics of the minister—and I am sure he will admit that he has quite a few—will not deny the fact that he is a very busy man who is administering two departments, to say nothing of Atomic Energy of Canada Limited, T.C.A. and many other things. It is not good enough that these powers should be delegated to that one man to exercise in this way.

It is true that the Secretary of State for External Affairs has said that there is a code which is followed. He said it does not work out that way, and it is not left to the Minister of Trade and Commerce. He said that if there are sensitive areas—whatever they may be, and there are 34 of them, some of them presumably more sensitive than others—then a conference is held among the Minister of National Defence, the Secretary of State for External Affairs and the Minister of Trade and Commerce.

That is fine in theory, but does it work? As I have said, the Minister of Trade and Commerce is very busy. The Minister of National Defence is probably over in Paris attending a NATO conference; and the Secretary of State for External Affairs may be making a long-delayed trip to Israel. When we ought to have a conference, the Minister of Trade and Commerce usually has to go ahead. He usually issues a permit and then forgets about it. Undoubtedly that is what happened in these cases to which reference was made the other day.

I was reminded of the story about the big fellow and the little jaunty fellow with the bow tie who had been out hunting together for a long time and were used to each other. They finally came to the edge of a clearing. They looked across and saw a deer, as they thought. They both fired and hit it. The little fellow said, "We shot it." The big fellow said, "What do you mean, 'we'? I shot it." They walked across the clearing and found that, instead of a deer, it was a horse. The little fellow said, "Boy, we are in trouble." The big fellow said, "What do you mean, 'We're in trouble'? You are in trouble." That was the pattern that was established in this discussion of who issued what and where and how.

In any event, I suggest that that procedure is not as set forth by the Secretary of State for External Affairs. It could not have been, because never was a matter so clear cut; never was a matter so circumscribed by rules and regulations; never was such a clear directive given as to how it should operate; yet never did a matter cause so much delay, so much confusion in explanation, so much circumlocution and—I think I can say, too—never did an explanation prompt so many revisions. Certainly it could not be so clear and it could not operate in quite the way in which we were told it operated; otherwise we would have had a more clear cut explanation than we did receive.

Some may say, "We have not sold much." The Secretary of State for External Affairs says, "This is all right. If we were immoral, other people were more immoral. If we were wrong in doing this, then somebody else was more wrong." I do not think we should accept that principle of morality. I heard a lecturer on morality once give an illustration. He said that at election time an old man had been approached by a Conservative agent who offered him $3 for his vote. The Liberal agent then offered him $5 for his vote. He took both amounts. When asked for whom he voted, he said, "Of course I voted for the Conservatives, because they were less corrupt than the Liberals."

That is the same principle the Secretary of State for External Affairs was trying to elaborate the other night: "We are less corrupt than Britain or less corrupt than the United States, because we do not sell quite so many arms and do not get quite so much money for them." I do not think we can accept that principle. I suggest the time has come when we should accept a definite code of conduct in this matter, and we should have a clear cut investigation of it by the parliament of Canada as a whole. Then the people of Canada will feel much happier about it than they do now.

It is true that some will say the arms we sold were not very powerful, that they were only old material or they were tank tracks or rifles or ammunition of some kind that would not hurt very much. But a bullet will kill you as fast as an atomic weapon. Once you are dead it does not make much difference which way it comes. That argument is one that surely cannot appeal to our reason. It is true that in the old days those were the conventional weapons, but today the time is rapidly coming when somebody sitting in an easy chair can push a button and start a projectile hurtling through the air which in a matter of a few minutes or a few hours can bring death and devastation to tens of thousands of people. Those weapons can be exchanged back and forth, and we can blast this world out of existence.

We know that great wars start from small ones. There is an old adage that great oaks from little acorns grow. We have been told by everyone that the deterrent effects of nuclear weapons are such that no one is going to start on his own initiative a nuclear war. But one may be started easily, possibly from the smaller conflagrations starting out with conventional weapons, and that is one of the things we should try to avoid.

The hon. member for Winnipeg South Centre said this afternoon that wherever there has been shooting in the past five years in Central or South America, we were sending arms there. Why? So people could get killed. They can be killed with our bullets. We are shipping arms to various sensitive centres, 34 sensitive centres in the world. I do not know how sensitive they are, but I presume that the more sensitive they are the less arms we ship and, therefore, the fewer people we kill. But is that the principle on which we want to operate? I do not think there is an hon. member in this house who wants to subscribe to that practice.

I do not want to engage in hyperbole or exaggeration at all; therefore I will not say that the people of Canada generally have been shocked. But I do say that they have been profoundly bothered by the disclosures and the debates of the past two weeks. I do not think our people want our government, directly or indirectly, to be mixed up in the sale of arms or permitting the sale of arms except to our own associates and allies where we know, as well as we can reasonably know anything, that they are going to be used for our own defence.

That is what we should aim at. No one knows how much has been sold. No one can tell. The dollar value means nothing. You sell something for a few cents on the dollar and you say that you have only sold a million dollars worth. Well, a million dollars worth of bullets will do quite a lot of damage. If that million dollars worth happened to be on the basis of 5 cents on the dollar you would be selling a lot more than a million dollars worth.

No one knows how much has been sold for scrap. I noticed that the Secretary of State for External Affairs the other day, in response to a question, said that he had gone back as far as January, 1952, and had found that wherever guns had been sold for scrap the barrels were defaced so they could not be used as weapons.

I say, Mr. Speaker, that if he had gone back one month beyond that, if he had gone back to December, 1951, he would have found a situation where the barrels were not defaced for scrap. There was an incident in the city of Halifax at that time in connection with scrap. Men were engaged by War Assets in packing and crating scrap to be sold through a certain company which was exporting it out of the country. Many of the men working there were returned men from the second world war. They became somewhat incensed about this scrap which was being packed and the price they believed the government was getting for it, about 25 cents a pound.

Good machine guns were being included in that scrap. So these men, decent Canadians, said. "We will fix this." They took acetylene torches and burned the barrels of 71 of these guns, and defaced them so they were properly scrap. These were Browning machine guns. The man who was buying them came down and said, "I am not going to take these." They said, "You are buying scrap and at 25 cents a pound; you will take them." He said, "I will show you. The government will deal with you."

Inside of a week instructions came from the director of armament in Ottawa, Mr. Monroe, telling them in Halifax that these guns had not been sold for scrap purposes. I do not know what that word "purposes" means, Mr. Speaker. You either know whether you are selling scrap or you do not. But in this case these men were told that they had not been sold for scrap purposes and the men who had defaced them were ordered to replace the barrels, the 71 that had been burned. They were ordered to take 71 barrels off repairable or serviceable Browning machine guns.

There we have an incident where people were buying so-called scrap and paying scrap prices for it, and this happened only one month previous to the time covered by the Secretary of State for External Affairs in his check. He said he went back to January, 1952. If he had gone back to December, 1951—perhaps that is why he did not go back—

Mr. Knowles: He had better do it now.

Mr. Nowlan: —he would have found this situation. He would have found that we replaced 71 barrels on those scrap guns with serviceable or repairable barrels. They were then exported to one of the countries about which we have been talking during the last few days. I have the bill of lading for the freight car. I have the number of the freight car.

It has been suggested that they were not sold for scrap purposes. I can tell you that the C.N.R. hauled the car out of the yard in Halifax as scrap. The bill of lading said "scrap" and the freight rate applicable to

scrap was paid. They were shipped to Montreal and from there overseas. One hundred and twenty-five guns were sold as scrap. Seventy-one of them only had been defaced and the 71 barrels had to be replaced. That is a situation which developed in this country. True, it was five years ago. True, it was in December, 1951.

An hon. Member: Where were they going?

Mr. Nowlan: They were shipped to Montreal and were exported from Montreal. That is what happened in that particular case. As I said, we do not know. We talk about dollars. What is the value of that in a situation such as this, when you are getting so many cents a pound? The men who were packing them believed, rightly or wrongly, that the people exporting them were getting $250 apiece for them. Whether they were or not I do not know, but that was the situation in that particular case. I believe the same thing has happened scores and scores of times all across this country. I believe there have been numerous instances in connection with the sale of such weapons.

It is time for an investigation. It is time something was done about it. I believe that is one example that will impress anybody with the necessity of having a committee to study these things; because when you get young Canadians, boys who served overseas who were working on this material, getting so indignant at what was going on that they did what they did and then were reprimanded for it and had to replace the barrels, you can see that this is not a matter to be dealt with jocularly. I think it is much more serious than that.

This afternoon we were told that the temporary embargo imposed a while ago had been lifted. There will be ample opportunity to debate that at some other time, but there again it shows the necessity for some investigation. Either the government was right in putting on an embargo or it was not, and if it was right it should not have taken it off. It certainly showed that it was very worried, very uncertain, very jittery about something when the embargo was first put on, and now we are told it has been taken off.

It may be that the government knows of certain factors which, of course, are not known, and properly so, to all members of the House of Commons. We cannot expect that, but I do suggest that the embargo could have been retained, we could have had a committee investigation, and we could have evolved a code of conduct which would have been more satisfactory than what is now in operation in this country, because the whole background of this discussion has shown uncertainty and indecision and I know has caused unrest.

What we are asking for is an investigation by a committee of this parliament, not a punitive one, not a witch hunt, nothing of that kind, but a committee which can discover the facts and establish a code of conduct, because I think that is necessary. Someone may say, "Well, what is the good of a code?" Somebody has to make a start. Disarmament, to which we have paid lip service for years, is not going to come overnight. If we wait for every country in the world to do it at the same time it is never going to come. There is jockeying back and forth between the great powers. Russia says, "Disarm nuclear weapons", and naturally the western powers say, "We cannot disarm nuclear weapons because then you are going to have a tremendous advantage in conventional weapons, so you reduce your conventional weapons and we will keep the nuclear weapons."

The see-saw argument has been going on now for three or four years. I know there are some hon. members opposite, as well as some on this side of the house, who have taken part in the United Nations. They have sat and watched the play acting going on with respect to this matter. They are simply mouthing words; that is all they are doing. If you read the report of the United Nations for the last four years dealing with disarmament, as I did yesterday, you will find that the whole debate turns on whether they will amend subsection A of paragraph B and so on. It almost sounds like one of those amendments of the Income Tax Act the Minister of Finance brings in every once in a while that no one can understand. They get bogged down and involved in these long, technical, boring amendments, and in the end they get nowhere. I say that a beginning has to be made some place.

As for the right hon. gentleman who was here this afternoon and whom we were all so happy to hear speak to us—and he is still in the city tonight—so far as my reading goes of anything he has said about foreign affairs he has expressed the view that you must start with small things; that you cannot expect to settle overnight all the problems of the world; that you get a little approach made here and a little advance made there, and then gradually you can attempt to arrive at a solution of these problems.

I have a suggestion to make. It is only a small thing, perhaps, but I suggest that Canada can set an example on this matter. I suggest that we can establish a code which we can agree to maintain strictly, and which will be about as close to getting disarmament as is reasonable or practically possible by a middle class power to establish in this troubled world today. If we can do that we will make one step—and it is a positive step

—along the road to total disarmament and to peace. That is what this world needs. I think that is what Sir Anthony Eden would advise.

Although some may say that this is only a minor matter, that this will not get as anywhere, I say this to the government: Why do you not try it? Why do we not set an example to the rest of the world in this matter? Perhaps we could send out a little beacon light across the troubled waters, which in the end will evolve into a great burning light which will lead the nations of the world to disarmament which seems so far away at the present time. That is why I urge the government to accept this proposal, in the belief that the House of Commons and the parliament of Canada will welcome it.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. J. A. MacLean (Queens): Mr. Speaker, I hesitated to rise in this debate at this time, but I feel that the matter under discussion is of great importance to the Canadian people. I am sorry that no speaker from any other party sees fit to take part in the debate at this time.

Some hon. Members: Oh, oh.

Mr. Rowe: He said "at this time". He is right.

Mr. MacLean: I mean at this time.

Some hon. Members: Give us a chance.

Mr. MacLean: Until now no member of the government party has taken part in the debate.

Mr. Johnston (Bow River): You should know. You never let us know this was coming down.

Mr. Rowe: We are not running the house yet.

Mr. MacLean: Mr. Speaker, in the past number of years Canada has enjoyed an enviable position in the councils of the nations of the world. We have attained that position because we have been looked upon as a disinterested and fair nation, a nation of people who are basically peace-loving and, perhaps most of all, a nation which would be loath to improve its position, especially in a material sense, at the expense of any other nation, great or small. I say with regret that, owing to the things which have been taking place over the last few years and which are now gradually being revealed, I am afraid that Canada has gone at least some way toward losing that enviable position which she has held. I believe the situation can still be saved, but I think the Canadian people have real concern over the state of affairs which is now disclosed to them.

There are, of course, those who would say that it is in the revelation of the facts that the mischief lies and that the facts themselves, if perfectly concealed, may do little or no damage. The people who put forward that point of view, for reasons of their own, belong to the school who think that undetected crime is practically tantamount to virtue; and I think such a point of view is not worthy of any further consideration.

Owing to the importance of Canada's position in the world today an importance that will continue to grow as we grow as a nation, I believe it becomes vitally important to the cause of peace and to the furtherance of our own interests that we should see that our position is preserved. A fair question to ask is this. What are we doing at the present time to preserve that position? I do not think that aggravating the situation in sensitive areas of the world by even token shipments of arms to any side in any dispute is furthering our interests. When we do that we betray the confidence which the peoples of the world have placed in us as a disinterested and fair nation. I believe the Canadian people feel that the government should be alert to the situation at all times and that under no circumstances should any action be taken that might upset the balance in any particular area or set a match to the powder kegs which exist in many places in the world today.

Some people may say that the exporters of those arms are to blame, and that if they were men of conscience they would not engage in such a business. It is my contention, Mr. Speaker, that they should not be called upon to judge whether or not it is wise or right to ship arms to a particular area. These exporters apply to the government, and rightly so, for permits to export arms or other materials to various areas. When they are given an export permit they naturally assume that the Canadian people, through their government, have put the stamp of approval on that transaction.

It is up to us to see that Canada does not engage in any traffic in arms which might threaten the peace of the world, and to see that none of its citizens do so. As the representatives of the Canadian people it behooves us to see that the wishes of the Canadian people are carried out. That is a heavy responsibility which is placed squarely on our shoulders, and we must face up to it. I believe the people of Canada wish that we

should not contribute to the suffering and misery of any people whose homes may be ravaged by war or insurrection of any kind, even if it is on a small scale. We should not provide the spark to set alight the powder keg of war in any area. We all know that in this shrinking world a small conflagration anywhere may rapidly spread into a raging prairie fire that would sweep across the world and engulf us all in a third world war. Such a war, if it ever comes, will be a catastrophe, because with the advent of modern atomic weapons the danger of our very civilization being wiped out is very great indeed.

I think it was Sir Winston Churchill, in referring to the first world war shortly after its close, who said that victory was bought at such a price as to make it almost indistinguishable from defeat. If a third world war should ever come there would be no victor.

I think it is a fair question to ask ourselves at the present time, Mr. Speaker, whether or not we think the wishes of the Canadian people are now being carried out. I would like to think they are, but I am forced reluctantly to doubt whether they are.

Earlier this session a question was asked of the Secretary of State for External Affairs regarding the export of certain aircraft. He rose in his place and said that he knew of no such export. Later information showed that aircraft were being exported at that particular time. The Secretary of State for External Affairs should have known whether or not aircraft were being exported. Furthermore, I would say that it should be impossible for munitions of war of any sort, especially aircraft, to be exported without the knowledge of the Secretary of State for External Affairs. Later on a similar question was asked of the Minister of National Defence (Mr. Campney) regarding the export of certain war material, and he said he had no knowledge of it. That is a state of affairs that should not exist. It should not be possible for those things to go on without the knowledge of the responsible ministers.

Still later a question was put to the Minister of Trade and Commerce (Mr. Howe), who is responsible for the act under which these exports are made, namely the Export and Import Permits Act. The question had to do with the export of certain aircraft. It seemed to be the attitude of the Minister of Trade and Commerce that since the aircraft were small and of a commercial type the question was irrelevant, or almost so, as far as the possibility of any danger being involved in the export of such aircraft. That is not a good explanation.

I point out that the list of materials which require export permits includes, of course, and rightly so, civilian aircraft, equipment and parts thereof. The minister tried to belittle the incident by saying the aircraft in question was merely a Chipmunk, which is a light training aircraft to be used, he said, in patrolling certain oil lines. I would point out that aircraft of any kind may add to the potential of any nation to making war. The then minister of national defence recognized that very thing when he spoke in a debate in this house on April 15, 1953. In referring to Canada's definite offer he had this to say, as reported at page 3922 of *Hansard*:

> We are producing the F-86E, the CF-100, the T-33 trainer, the latest Harvard type trainer, plus light transport aircraft—the Otter, the Beaver and the Chipmunk, leading aircraft of their type. As far as we know there is not anything to match them; and it is high time, I think, that the Canadian people began to recognize that their air force has become one of the leading air forces in effective fighting power on our side today.

The then minister of national defence recognized in that statement that aircraft, even light aircraft, adds to one's potential; and the importance of aircraft varies a great deal, of course, with the situation. Of course, a Chipmunk or a Beaver aircraft, or aircraft of similar types, would be sitting ducks if they were to operate against perhaps Sabres or some other type of modern jet-propelled aircraft, but they are very formidable weapons if they are operating against stray patrols on a desert who have no adequate means of protecting themselves against aircraft. As a matter of fact some of these similar types are ideal for that sort of thing.

Then aircraft can take on special importance, even obsolescent types of aircraft, or small transport aircraft, under certain conditions. During the last war the R.A.F. found it necessary, when the threat of invasion was very great and the means of defence very small, to prepare to use Tiger Moths and other very light training aircraft for offensive purposes against ground troops if an invasion came.

I seek clarification of the statement of the minister regarding this particular aircraft. The minister said the aircraft in question was a Chipmunk. I seek this information by the way. Since the minister himself is not in his seat, perhaps he might have notice given of it so that an answer can be forthcoming. I note that the item regarding that aircraft is listed as being in one case about $44,000, and in the other, about $41,000. That is approximately the price of a Beaver aircraft. I think a Beaver aircraft sells for $35,000 plus in this country depending on what equipment is on it; and a Chipmunk, which is the other aircraft, costs about $25,000 in this country. I should like to have an explanation of the great difference in price.

Shipment of Arms Abroad

In the course of the questions and answers on the orders of the day over the last two days, it would appear there has been an attempt on the part of the government to belittle our exports of arms and other warlike material in certain cases because they are obsolete, or the items themselves are small, or the quantity is not great. This makes little sense to me. What the government is saying in effect when such exports go to sensitive areas is that we are only tossing small sparks into the powder keg. I would like to point out that under certain circumstances even small contributions of lethal weapons can be very aggravating to the persons on whom they are used.

I am speaking only from memory in this case but I believe it was the Prime Minister who recently said that when export permits were asked for, great consideration was given to the situation and an endeavour was made to ensure that the export would not upset the balance of power between two of these minor countries, and therefore there would be no danger of their engaging in an arms race. It would seem to me there might be occasions when we might believe the power as between two nations was in balance, but I think it would be an extremely difficult task to convince them, if they were in balance, to stay that way. I am sure if a small nation with aggressive or belligerent tendencies were to learn that its power was in balance with its would-be victim, it would not be satisfied with that situation and would make every effort to get the balance upset in its own favour as quickly as possible.

Even if it were possible to maintain perfect balance as between two small countries, what is the objective? Is it to keep them in a state of tension, sniping at each other indefinitely in an indecisive way until they eventually attain the condition of the Kilkenny cats? What is the motive? There is great danger that a small war may spread and involve the whole civilized world. In this day of the atom bomb such an event would be absolutely fatal to our civilization, in all probability, if a full scale war were waged.

I therefore think this theory is completely unsound; it is much akin to using the argument that if you see two small boys fighting in the street and the little fellow is getting the worst of the deal, you should furnish him with a brick in order that he might try to knock out the bigger fellow's brains. That does not make sense to me. I think what is required is a firm, honest approach to the situation. The boys should be chastised and if necessary the police should be called.

That, I think, is the situation today as far as small belligerent nations are concerned.

[Mr. MacLean.]

After all, the United Nations was set up as an organization in an attempt to find a means of resolving differences between nations by means other than war and force.

I believe it has been said in this house that if we were to refuse arms shipments to a small nation, we might be endangering its existence by withholding from it its ability to defend itself. In that regard I should like to point out that the United States appears to be of the same opinion as I am with regard to the two small boys. Just the other day the government of the United States turned down a request from Israel for a shipment of $50 million worth of arms on the grounds that such a shipment would not be in the interests of the maintenance of peace in the area concerned, but rather that such a shipment would further endanger peace in that area. If war is to be prevented it must be prevented by the existence of a force which can compel small nations who are bickering among themselves to come to the conclusion that they must resort to reasonableness and compromise to settle their differences.

I think, Mr. Speaker, we cannot further Canada's interests and retain for Canada the enviable position it has attained in world affairs if we renounce our ideals and our principles for some minor convenience for somebody. I believe that in the end ideals are still of greater consequence and value than are bombs, even than atom bombs under some circumstances.

This cabinet includes men, I believe, who would like to be looked upon, or who would like to think they are looked upon, as world statesmen. This is the opportunity for them to prove their worth. An amendment has been proposed asking that the whole question of the export of arms on the part of Canada be thoroughly examined so the facts may be revealed. If we have the facts we can then determine where we should go and what action should be taken. If this government is made up of men of good will I think they will welcome such a committee. They will see in it the opportunity to demonstrate their capabilities in dealing with these matters of world importance.

I think the Canadian people at this time demand a frank, forthright statement as to what is the situation. The Canadian people do not want truculence on the part of their ministers, they want candor. The Canadian people rightly demand that they have the right to work out their own destiny. Not only do they want to know where they are going, they want to know to where they may be led. I am quite sure the vast majority of the Canadian people have had no idea that Canada was

exporting arms and munitions of war to areas other than NATO and commonwealth countries. I think it is only reasonable to ask that the Canadian people should be made fully aware of what the code of conduct shall be for Canada when considering the export of arms or munitions of any sort to any part of the world.

If this government is made up of men of good will they will welcome this opportunity, they will welcome the assistance which representatives of the people would be able to give them in trying to find a means of controlling the export of arms so that such export will work to the benefit of the Canadian people and for the cause of peace. They should be glad that we are seeking the facts; they should be glad that an opportunity is being given for merit to be recognized, for errors to be corrected and for objectives to be attained.

If they wish to prove themselves men of good will they will accept this amendment knowing that it will provide an opportunity for them to demonstrate if not their efficiency at least their high motives. Naturally I assume that the members of the government are men of good will; as a matter of fact I guess I have no other choice. This is essentially a problem of external affairs, and the conduct of a maturing nation in world affairs is vital to the Canadian people. If Canada with the growth of its strength is to retain the high position it has held in the councils of the world we must be sure that we act in the interests not only of ourselves and of our allies but of peace as well.

I am happy to support the amendment which has been moved, and I hope it will be accepted by the government. By doing so they will demonstrate that they are men of good will. I believe completely that on earth there shall be peace to men of good will.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, this whole question of the sale of arms, munitions and equipment of war is of course closely tied up with the whole matter of disarmament. Last fall I had the pleasure of being a parliamentary observer at the tenth general assembly of the United Nations and sitting in at all the meetings of the disarmament conference. Anyone who has had that opportunity I think will realize fully the difficulties of the problem of disarmament. World disarmament cannot be achieved very easily, but I think the general observation can be made that the indiscriminate sale of arms, particularly to trigger-happy tribesmen and others, will do nothing to further improve world peace. I certainly think that Canada, which is so highly respected among other countries, should set an example in this regard.

This afternoon the hon. member for Winnipeg South Centre moved the following amendment:

> That, in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

That amendment naturally brings two questions to mind. First, assuming that a code of procedure is needed, why have the proposed committee recommended such a code of procedure? Second, why is a code of procedure with respect to the issuing of permits for the export of arms, munitions and military equipment needed at all?

With respect to the first question, apparently there is no procedure at the present time with regard to the issuing of export permits for arms and other military equipment. This has become quite obvious since the opening of this session from the answers that have been received to questions asked. Apparently we can expect that sometimes the government makes these decisions, while on other occasions, as the Prime Minister indicated this afternoon, the decisions are purely ministerial and nothing else.

This proposed committee, which I hope will be set up, should certainly formulate a code of procedure so that hon. members can find out, in camera if necessary, the quantities shipped, their destinations, the controls over the shipment of arms and the reasons for the shipments. I am sure that Canadians generally do not wish this country to be regarded by other countries as a merchant of death. If we are going to sell arms I think the reasons for selling them should be carefully considered.

This code of procedure should set out controls over the ultimate destination of arms. Arms may apparently be going to country A but it may be quite possible that they will end up in country B. Third, and most important of all, this procedure should be such as to assure that all ministers of the crown are informed of what arms sales are being approved.

My second question is, why should there be a special procedure necessary for the sale of arms? Arms are a very special commodity; they are not like apples, potatoes, wheat, fish or anything like that. The sale of arms to other countries could very well alter long-term government policy or even short-term government policy toward such countries or toward related countries. There can be

nothing but confusion if one minister permits the sale of arms without the other ministers knowing about it, particularly if the policy toward the government that may be affected by the sale is the responsibility of ministers who are not informed about the sale.

Since I have come to this house I have heard the government referred to as acting in such a way that the one hand does not know what the other hand is doing. I do not know that that is a suitable metaphor and I think we should go back to ancient times, to Greek mythology, to find a more suitable comparison. One of the labours of Hercules was to slay a creature called the Hydra or better known as the seven-headed serpent. This was a creature with one body and seven heads all going in different directions, and one not knowing what the other ones were doing.

An hon. Member: That is the government.

An hon. Member: They have seven bodies and one head.

Mr. Nesbitt: It might be better, in view of the remarks of my hon. friend, to have seven bodies and one head rather than one body and seven heads going in different directions. I should like to give a few illustrations of the point I have just made. First of all, the sale of arms can affect the long-range policies of the government. I think there is very little question about the fact that the general long-range policy of this government is to maintain world peace. That is what we have been told in this house and outside it. I should like to refer to an article which appeared in the London *Free Press*, week end magazine edition, for January 28, 1956. This is an article entitled "This is our Foreign Policy" by the Secretary of State for External Affairs. On page 2 of this edition the article states, referring to Canada:

> We are respected because we try to play a constructive and conciliatory role in international affairs.

Continuing a little further, it states on page 3:

> We are respected also because we have not hesitated to accept our share of the burden of maintaining peace and promoting friendship between peoples; in the United Nations, in NATO, and elsewhere.

A little further on it states:

> That, in fact, is the aim of our foreign policy: to play our full part in collective action for peace and in the search for solutions to the problems that now so dangerously divide the world.

It would seem to me that the sale of arms to the countries in the Caribbean, as referred to by the hon. member for Winnipeg South Centre, and elsewhere, can hardly bring about such conciliation and conciliatory measures.

More important, these approvals of the sale of arms by one minister of the crown when the others are apparently unaware of it, in effect are short-term policies toward various countries.

The same article to which I have already referred in a box on page 4, stated the policy of this government toward Israel and the Arab countries, as follows:

> We have had requests in the past—in the last few years—from both Israel and Egypt and other Arab states. Our attitude is to do nothing that would disturb the military balance—

Here is what might be called the punch line:

> —or add to their offensive strength.

This is an article written by the Secretary of State for External Affairs laying down government policy with respect to Israel and the Arab States. It says that the policy is to add nothing to their offensive strength; yet we have had admissions this year of the approval of sales of arms to those countries. There is hardly any consistency in that.

For these reasons we must have a code of procedure with respect to the sale of arms, even if it does nothing more than inform all ministers of the crown as to what arms are being shipped to other countries. The present slipshod, slap-happy method of doing things can only lead, as it has already, to disintegration of government policy. You might say that the present policy is simply an illustration of "I don't know where I'm going but I'm on my way."

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I intend my remarks to be very brief, but they will not be as brief as three minutes. I do not know whether to call it ten o'clock.

Some hon. Members: No.

Some hon. Members: Ten o'clock.

Mr. Macdonnell: Apparently there is not consent. I have been interested in this debate and have been asking myself, if the government is not prepared to agree to this, why that can be so. I would like to read the resolution to remind the house what is in it, how simple it is and how obvious is its good sense. The amendment is:

> That, in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

The first question that arises is as to whether there is now a definite code of procedure. I would think any member in this house and, most of all, any member of the government

would be quick to agree that there is no definite code of procedure. I was going to say that at best there was a hodgepodge of understandings among ministers, but I think that would be a great exaggeration. I think I should say "a hodgepodge of misunderstandings", because we never seemed to get to the point where there was an understanding among the ministers. We had an interesting galaxy of ministers parading before us—the minister of external affairs, the Minister of Trade and Commerce, the Minister of National Defence—and we got an interesting glimpse of the way they communicate with each other. I am reminded of the Prime Minister, but I omitted the Prime Minister because I think he was as innocent of the whole matter as a new born babe.

Mr. Hees: They do not tell him what is going on.

Mr. Macdonnell: I doubt if he even heard any of the echoes that reverberated from department to department.

Mr. Hees: They never tell the boss.

Mr. Macdonnell: That being so I come back to my first suggestion, that the government should be very glad indeed to have a definite code of procedure, and that a very sensible way of getting it would be the method suggested in this resolution.

Mr. Speaker, if my eyes tell me rightly it is ten o'clock. As the rest of my speech contains a few suggestions as to the only possible reasons the government could have for not agreeing to this, perhaps the government would be more interested in hearing them tomorrow.

On motion of Mr. Macdonnell the debate was adjourned.

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

Questions

ANSWERS TO QUESTIONS

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

NATIONAL REVENUE—PAYMENT OF TAX ARREARS

Question No. 41—**Mr. Argue:**

1. Can the Department of National Revenue register a judgment or otherwise force payments of tax arrears without a court order?
2. If so, under what authority?

Answer by: **Mr. McCann:**

1. An amount payable under the Income Tax Act may be certified by the Minister of National Revenue after 30 days default in payment or forthwith if, in the opinion of the minister, there has been an attempt to avoid payment. Such certificate may be registered in the Exchequer Court of Canada. When so registered, the certificate has the same force and effect and all proceedings may be taken thereon as if such certificate were a judgment of that court.

2. The Income Tax Act, R.S.C. chapter 148, section 119 and section 51(2).

Customs and Excise Division—

1. A certificate of default with respect to sales and excise taxes may be registered similarly in the Exchequer Court of Canada.

Excise Tax Act, R.S.C. chapter 100, section 50 (4).

EGRET FEATHERS

Question No. 71—**Mr. Regier:**

1. Is the importation of the feathers of the egret bird permitted?
2. If so, what is the estimate of the number of birds that had to be killed to supply Canada with aigrette in 1955?
3. Have any representations been made to the government asking for a ban on such imports, and what has been the nature of the reply?

Answer by: **Mr. McCann:**

1. Aigrettes and egret plumes have been prohibited importation into Canada for many years (item 1212 of schedule C to the Customs Tariff).

2 and 3. Answered by No. 1.

APPENDIX

ADDRESS
of
RIGHT HONOURABLE SIR ANTHONY EDEN
Prime Minister of the United Kingdom
to
MEMBERS OF THE SENATE AND THE HOUSE OF COMMONS
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
Monday, February 6, 1956, at 2.30 p.m.

Sir Anthony Eden was introduced by Mr. St. Laurent.
Hon. L. René Beaudoin, Speaker of the House of Commons, presided.

Right Hon. L. S. St. Laurent (Prime Minister of Canada): Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, fellow members of parliament, it is my agreeable duty and privilege to welcome to the Canadian parliament the Prime Minister of the United Kingdom. This I do with warm personal pleasure, and I know that all members share that pleasure and wish me to express on their behalf, as well as my own, our most cordial greetings to our distinguished guest.

We were all delighted, sir, when we learned that it would be possible for you to spend a few days in our capital following your important discussions in Washington, and that you had graciously accepted to speak to us here this afternoon.

I should like also to say how happy we are that the foreign secretary, Right Hon. Selwyn Lloyd, was able to accompany you on this visit. To him as well we extend a sincere and hearty welcome.

We recall, Mr. Prime Minister, that you previously addressed this parliament some 13 years ago when we were emerging from the darkest and most dangerous days of the war. The might of the enemy forces was still great, but the dawn of ultimate victory was beginning to appear.

Those of us who were here have vivid recollections of the inspiring message of courage and confidence you brought us from the battle-scarred but indomitable British nation.

You were then the Secretary of State for Foreign Affairs in a wartime government headed by one of the great Englishmen of historical fame, that towering figure, Sir Winston Churchill, to whom the whole free world will remain forever indebted.

Today we welcome you as the worthy successor in office of that great man, and we do so on the morrow of your visit to Washington where you have been strengthening Anglo-American co-operation and friendship, the essential foundation for the structure of peace which we are all striving to build.

May we be permitted to congratulate you on the success of that mission? Of course, I do not need to tell you that whenever London and Washington and Paris seek to deepen their friendly understanding, there is a feeling of very special satisfaction in Ottawa.

That visit to Washington was only another instance of the energetic, skilful and constructive part which you have played in international affairs during these troubled and trying years.

Your visit to us emphasizes the close association we enjoy with the United Kingdom and the other members of our commonwealth of nations. That association, based on the freedom of its members, spans the oceans and the continents; it is playing a worthy part in the search for peace, security and constructive progress.

We are also proud of our association with the United Kingdom as allies in the North Atlantic Treaty Organization, and as fellow members of the United Nations. In these organizations, too, we appreciate the opportunities of working with you for the strengthening of the free world and the maintenance of peace.

(Translation):

Mr. Prime Minister, you know that there are in Canada, and in this parliament, two official languages. And so I wish to tell you, on behalf of Canadians of French descent like myself, how happy they are also to greet you here and to extend to you a most hearty welcome.

I am conscious of accurately expressing the feelings of my fellow Canadians from the Atlantic to the Pacific when I say that they have the very highest regard for you.

Address by Sir Anthony Eden

(Text):

I now invite Right Hon. Sir Anthony Eden, Prime Minister of the United Kingdom, to address us.

Right Hon. Sir Anthony Eden (Prime Minister of the United Kingdom): Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, members of the Senate and of the House of Commons, Mr. Prime Minister, I am indeed grateful to you, sir, for your generous words, and to the Canadian parliament for this invitation. I am deeply moved by the compliment which you have paid to me for the second time in my life. That must be a rare event. I believe that it is in fact unique in history. On neither occasion, Mr. Speaker, have I been able to catch your eye. I do trust the backbench members will not in consequence be so much aggrieved that they will move the closure on me. I was a little reassured to learn, sir, that this is an unusual custom for your parliament.

You know that I speak sincerely when I say I am happy to be amongst you again. It is now 30 years since I first came to Canada and travelled across your country. On many occasions since then I have had opportunities to visit your vast and hospitable land. I am proud to think that I have more friends here than in any country outside my own.

(Translation):

French-speaking Canadians, I thank you cordially for your welcome. I do wish to say how much I admire and respect that culture and those traditions you so proudly preserve. You know that I am genuinely glad to be amongst you again. Thirty years have elapsed since my first visit to Canada. I have returned several times to your vast and hospitable land and, on each occasion, I have found many old friends and have made new ones.

I am deeply grateful for the high honour you have paid me in inviting me, for the second time in my life, to address the Canadian parliament.

(Text):

Inevitably, my mind goes back this afternoon to that earlier occasion, to which you, Mr. Prime Minister, have referred, when I spoke to you during the war. Then, though the tide had turned, victory had yet to be won and the future beyond it lay all uncertain. He would be a rash man or an ill-informed man who would attempt a confident prophecy for mankind today.

Yet there is a certain balance sheet of good and evil which we can draw up, and I propose to do so, and to begin with the good, because it is more comforting that way. There is next the unshakable strength of the Anglo-American alliance in which we all join. Third, the growing unity of western Europe within the framework of NATO. Fourth, and grimmer but still real, the deterrent power of the new weapons, including the hydrogen bomb, which restrain where they cannot reform. Fifth, the growing understanding by the west of the threat of communist penetration which it has to meet and of the new methods which we will have to employ.

And now on the debit side I would cite, first, the increasing hazards which some are prepared to take; second, the dangers of aggression by countries which believe they can ignore the deterrent; third, the continued existence of local disputes, whose consequences could engulf the world; fourth, the daily communist call to abhor the west sounds sharply. In contrast, the steady effort of the west to raise the standard of life for all free people must take time. It is easier to spread hatred than to make two blades of grass grow where one grew before.

Mr. Speakers, it is with this balance of good and evil in mind that we have to prepare ourselves. Economic weapons may take the place of military ones. But always our purpose must be the same; to maintain the right that men's minds may be free and the care that their bellies be filled. Well now, to achieve this, free nations like ourselves, like free men, must draw and hold together and it is in the spirit of those reflections that I would like to make some comments on the recent conversations which I have held in Washington with President Eisenhower.

I can best sum up my impressions of those talks by saying that there has never been so full a measure of agreement between our governments. In the whole field of European diplomacy, which a year or two back was troublesome enough, there was no difference between us. You may have noticed the attempts of the Kremlin to obscure the issues and confuse our councils. In fact they only provided most obligingly an opportunity to underline the unity between the United States and ourselves.

Now, Mr. Speaker, much of our meeting was devoted to the difficult and critical problems of the Middle East. Here too we were in agreement that the first danger was the continuing Arab-Israel dispute. We were also in agreement as to what we should do to try to resolve it. We decided that the necessary treatment should be of three kinds. We should continue to work without publicity—I really think diplomacy is more effective without publicity—and by every means to bring about a settlement in that area. This can only be realized if both sides are prepared to reconcile the positions they have taken up to now.

That means a compromise. Some people tell me compromise is a horrible English habit; however, some might learn from it to their own advantage in the world. But we can both help, and are ready to do so, for example by financial aid to help settle the tragic refugee problem and by a guarantee of the frontiers once agreed.

Meanwhile, as you know, Mr. Speaker, we, the United States and France have our responsibilities under the tripartite declaration of 1950. We arranged for discussions on the action to be taken to meet an emergency should it arise. The French government has agreed to join us in this. Personally I am convinced that to make ready in this way is to reduce the risk of conflict. It may also be, Mr. Speaker, that a strengthening of the United Nations truce supervisory organization would assist to prevent incidents. Both the United Kingdom and the United States governments are very ready to agree to this. But of course we should wish to be guided by General Burns, a brave Canadian soldier who is resolutely carrying out this thankless task.

As regards the dispute which we have with Saudi Arabia, our position is this. We are not prepared to return to arbitration. There can be no question of that in view of our recent experiences with their bribery and corruption. On the other hand, as we made clear in Washington, we are ready to enter into direct discussions.

The United States government has declared its solid support for the Baghdad pact, to which we belong. This again we welcome and here again our views are alike. The pact has economic purposes and aims which fully match its military provisions and importance. We have considered the kind of help which each member country needs and we are determined to make a success of the pact.

All this does not exclude some help to other countries in the area. An example is Jordan, to whom we shall continue to make substantial payments under our treaty.

So much then for what is perhaps the most critical region at the present time. Of course, we talked of many other problems, in many parts of the world, just as I had the privilege to do with the Prime Minister and your cabinet this morning. We discussed the declaration of Washington which the President and I issued together. In this we set forth the true principles which guide the free world. Some say that these have been stated before. Maybe, but it does no harm to state them again in a manner which makes it clear that we are aware of the modern communist challenge. The declaration of Washington is, in fact, a charter to which the whole of the free world can subscribe. I am sure that here in Canada you will agree with its purpose. It is in the tradition of the work you have done so well to unite the countries on either side of the Atlantic in defence of the free world.

Mr. Speakers, I now come back to our own friendship and the work of our two peoples together. Many speakers and writers have tried to define the commonwealth. None has really succeeded, for the reason no doubt that the spirit which gives it life is indefinable.

In a few months' time I look forward to welcoming the prime ministers of the commonwealth to our London meeting. Foremost amongst them is your own Prime Minister, wisest of counsellors and most loyal of friends. May I here suggest that though we enjoy being the hosts to all these meetings of prime ministers, it would be good if from time to time the meeting place were to revolve.

Mr. Speakers, I am here this afternoon surrounded by the familiar setting of our own House of Commons. This morning, Mr. Prime Minister, you were good enough to invite me and my colleague the foreign secretary to attend the Canadian cabinet. Our systems, our modes of thought, our traditions and our ways of life are all so much alike that perhaps we ought not to take too much credit to ourselves, but Anglo-Canadian relations are a model to the world.

But there is more to it than all this. The pervading influence which the commonwealth carries into the four corners of the earth is one of understanding among friends, of tolerance and of peace.

In all this work Canada now plays a leading part. It is impossible to travel, as I had to do as foreign secretary until a year ago, into so many lands without constantly hearing warm praise of the judgment and kindly help you have so often extended to "less happier lands". The service that you are rendering in Indo-China is but one example of the world's debt to you. By this action alone you made possible an armistice which may yet become a peace.

Mr. Speakers, if I may conclude on a slightly more familiar note, I have from my childhood, like many of you, seen this great nation grow up into a position where its authority is among the foremost in the world. I have no doubt of what the future holds. You will be called upon to carry ever more burdensome responsibilities, but they go with authority. That is inescapable. Yet ever so at home and over the world at large there is great comfort in that thought, for I have no doubt that the guidance and wisdom of Canada will always be thrown in the scales on the side of toleration and peace.

Visit of Sir Anthony Eden

It is not given to many of us to look far into the future, but of this no one who observes your country from outside can doubt a future, an almost unimaginably great future, is in your hands. I have no doubt that you will fashion it in a manner worthy of a great people.

And so, Mr. Speakers, I salute this Canada which commands the future as probably no other land in the world today. I salute you also as the standard bearer of loyalty and a herald of good will. And I wish you well.

Hon. Wishart McL. Robertson (Speaker of the Senate): On behalf of the Senate of Canada may I say to you, Mr. Prime Minister, how greatly we appreciate your visit to Canada, your courtesy in meeting with us and, on their behalf, may I thank you for the address you have just delivered.

We will never forget the gigantic effort and sacrifice that the people of the United Kingdom made in the cause of freedom; their contribution in the rebuilding of a war-torn world and their efforts in building a better future.

The attendant circumstances of your visit, Mr. Prime Minister, are evidence of the leadership you are continuing to show in this respect. I need hardly say that in the peculiar position Canada occupies in relation in particular to the United Kingdom and the United States and, in general, to the other countries that are signatories to the North Atlantic treaty, we welcome every effort that is made towards greater understanding and in the achieving of a common viewpoint. Your very presence here and in Washington is evidence that you are keenly alive to the inestimable value of personal contacts in helping to attain these ends.

We would particularly ask you, Mr. Prime Minister, to convey our greetings to the members of the United Kingdom parliament. We hold them in the greatest respect, but we see far too little of each other. If it were possible to develop something more of the personal relationship and understanding between the members of our respective legislatures that already exist and are being constantly developed between the executive and administrative branches of government, not only would the attendant benefit be inestimable but it is quite possible that the difficulties of those whose responsibility it is to initiate policies might be lessened accordingly.

We wish you well in your undertakings. May divine Providence bless your endeavours.

Hon. L. René Beaudoin (Speaker of the House of Commons): Honoured guests, Mr. Prime Minister, hon. members of the Senate, hon. members of the House of Commons, ladies and gentlemen:

(*Translation*):

Once a well-known American writer, Nicholas Murray Butler, pointing out the multitudinous problems peculiar to the twentieth century, stressed the high ability required of the men called upon to solve those problems. Then again, another distinguished American author, Whittier, said: "Each crisis brings its words and deeds".

These words naturally come to mind at this time when it is my very great privilege to thank you, Mr. Prime Minister, for your interesting speech and your kindly presence among us. May I be allowed to add that the success of your career arouses in us the deepest admiration.

I should fear to lapse into the commonplace in repeating that Sir Anthony Eden, "the specialist in foreign affairs, the virtuoso of diplomacy", to use the words of his biographer, Campbell-Johnson, is a statesman of the highest intellectual standing who has always shown supreme ability and understanding in tackling the most difficult international problems.

At the general elections, in 1950, he summed up his political creed by referring to the theory of the three unities; first, the unity that should exist within the commonwealth; second, the unity of western Europe; and third, the unity which, across the Atlantic, binds England to the United States. Today he has restated his political faith in those three unities and has added two others which are most important and inseparable from the first three.

We believe, as he does, in maintaining a friendly solidarity between the countries which make up the commonwealth.

For us, who are French-speaking and whose mother country was France, we cannot forget, sir, that you have always been a friend of that great nation, that you have, on many occasions, revived the principles that made a success of the Entente Cordiale. You have always believed that the solidarity of Anglo-French relations, nay of western European relations, was the very basis of relations between all western European countries, not only for the present but also for the future.

There are, of course, "other places under the sun" and, as a North American people, we rejoice at your relations with the United States. On the occasion of your visit to America in 1943, President Roosevelt was able to say that you both seemed to agree on approximately ninety-five per cent of the

problems, which is a remarkable proportion. And in the last few days, you and the present President of the United States have just agreed one hundred per cent on the definition of the philosophy behind our way of life, as you personally chose to call it, a definition which was incorporated in this henceforth memorable document, the declaration of Washington.

This is consistent with the objective which is yours today and which you set yourself a long time ago when you said in the House of Commons:

> I am convinced that a closer understanding between our nation and the United States constitutes the most important objective that the government of that country could propose to us.

In addition you have accomplished a *tour de force,* as it were, in bringing about an effective rapprochement with new Germany.

As I said just now, each crisis brings its words and deeds, and brings forth the indispensable men whose courage and logic carry ideals into the realm of reality.

(*Text*):

Each crisis brings its words and deeds; it brings also to the fore the men to utter those words and to do those deeds, and men with sufficient courage and consistency to translate their ideals into realities. Of such a breed is our honoured guest today.

So, in the name of the House of Commons and of the Canadian people, may I say to you, sir: Thank you and good luck!

HOUSE OF COMMONS

Tuesday, February 7, 1956

The house met at 2.30 p.m.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO ALLEGED CANCELLATION OF PROGRAM

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I rise on a question of privilege. I have a question which arises out of the answer given to me yesterday by the Minister of National Revenue (Mr. McCann) regarding a particular C.B.C. broadcast.

His answer to my question said that the broadcast had never been scheduled, and I should like to read to the house from the C.B.C.—

Mr. Speaker: Order. May I interrupt the hon. gentleman to tell him that he might find a recourse by putting supplementary questions when we reach the orders of the day, because at this moment I do not think he has a question of privilege in what he has been saying.

[*Later:*]

On the orders of the day:

Mr. Bryson: Mr. Speaker, I should like to address a question to the Minister of National Revenue. Is the minister aware that the December 18 issue of the C.B.C. *Times* states:

> Anthology on Tuesday night plans to bring an extended discussion by various qualified people of a new book called "The Mackenzie King Era" by Bernard Ostrey and H. S. Ferns, two young Canadian political scientists who are teaching in England. The discussion will be introduced by one of the authors of the book, which is said to be highly controversial.

That was to have been scheduled to go on the air at eleven p.m. on December 20. On that admission, is the minister also prepared to say that there was no cancellation of this program?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I had not received any notice of the question, and obviously it is so long that I could not catch the whole of it, but I think the answer I gave yesterday with reference to cancellation still stands. It is the answer that was given to me by the C.B.C.

Mr. Donald M. Fleming (Eglinton): I should like to ask the minister a supplementary question. Is there such a thing as a directorate in the C.B.C. which concerns itself with whether such a program will or will not go on the air and, if so, who constitutes this directorate?

Mr. McCann: My understanding is that there is a directorate, but I cannot give its personnel at this moment.

Mr. Alistair Stewart (Winnipeg North): May I direct another question to the Minister of National Revenue. Can the minister inform me what medium the C.B.C. will use to review the book on Mackenzie King?

Mr. McCann: I suggest that this is a question which might well go on the order paper. After all, I act as liaison between the C.B.C. and parliament, and I cannot be expected to know offhand the answers to questions with which I am not directly concerned. I will do my best on all occasions to give answers when I receive them from the C.B.C., provided the questions are in a form which can be answered accurately.

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON SHIPMENT OF AIRCRAFT AND SHELLS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the statement made by the Prime Minister yesterday that the embargo on arms had been lifted, does that mean that the government proposes to proceed with the delivery of the remaining 12 Harvard planes to Egypt and the shells that had been mentioned earlier in this discussion?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, with respect to the shells no decision had been arrived at and that matter is still under consideration.

With respect to the Harvard aircraft for which a permit had been previously granted, there is no intention of interfering with the shipment of these 12 planes unless there is a change in the situation.

Inquiries of the Ministry

CONFERENCE ON FEDERATION OF BRITISH WEST INDIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Is Canada showing any specific interest in, or have we an observer at, the conference being held in London on the possibility of the British West Indies being federated and becoming a self-governing member of the commonwealth of nations? Is consideration being given to these islands joining Canada?

Hon. L. B. Pearson (Secretary of State for External Affairs): The hon. member was good enough to give me notice of this question, which enables me to deal with it at once. We are continuing to follow very sympathetically the movement toward closer association of the British islands and territories in the Caribbean, with which we have had long and friendly relationships. We will be receiving reports on the conference which is now being held in London.

It should be made clear, however, that even if agreement is reached at that conference in London, ten legislatures will have to approve the final agreement before federation can be established. It may take as much as three years to accomplish these last steps. Even then the federation is not expected to be completely independent financially, as United Kingdom grants in aid will still be needed for some years. Therefore the movement toward complete self-government as a federated state will take some time.

So far as the second part of the question is concerned, the government has not given consideration to this matter.

RUSSIA—POSSIBLE OPENING OF CONSULAR OFFICES IN CANADA

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): The other day the hon. member for Eglinton asked the following question:

> Has any application been received from the Russian government or the Russian ambassador for permission to open consulates across Canada? Has there been any expression of a desire in that respect?

If I might answer the second part of the question first, I may say that a year ago an official of the Soviet embassy intimated informally that his government might eventually request permission to open a consular office in Winnipeg or Toronto. However—and this answers the first part of the hon. member's question—no formal request for a consulate in any Canadian city has since been made. I should like to add that if such a request were ever received it would of course be examined on its merits, but as of today the government would not consider that circumstances would warrant Soviet consular representation outside Ottawa.

MINES AND TECHNICAL SURVEYS

CONSTRUCTION OF NEW HYDROGRAPHIC SURVEY SHIP

On the orders of the day:

Mr. S. R. Balcom (Halifax): Mr. Speaker, I should like to address a question to the Minister of Mines and Technical Surveys. Can the minister state when the hydrographic ship now under construction is expected to go into service, and will she be based at Halifax? Can the minister indicate the number of men that will be employed on this ship?

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, there is a new ship under construction for the hydrographic service which will be known as the C.G.S. *Baffin*. Although it is too soon yet to say exactly when it will go into service it is hoped it will be completed during the coming season in time for a trial run in northern waters, and perhaps several weeks on survey work. Negotiations are presently under way with the Canadian navy for space at what I think is known as French Cable wharf in Halifax harbour, on the Dartmouth side.

The new ship will be equipped with two helicopters and six surveying launches, and will require a complement of 102 men. For several years the department has had a ship on loan from the Canadian navy, H.M.C.S. *Fort Frances*. It is expected that when the new ship is completed the crew of the *Fort Frances* will be transferred to it.

NATIONAL PARKS

BANFF—REQUEST FOR GREATER DEGREE OF SELF-GOVERNMENT

On the orders of the day:

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Has the minister received a request from a Banff advisory council asking for a larger degree of self-government in Banff and, if so, what action has been taken?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I do not think that there is any urgency in

this matter, and I do not believe we should take up the time of the house—

Mr. Harkness: The people of Banff think it is urgent.

Mr. Lesage: —to discuss this question at this time.

BANFF—REQUEST FOR ACQUISITION OF LAND FOR NEW SCHOOL

On the orders of the day:

Mr. C. E. Johnston (Bow River): Mr. Speaker, I should like to direct another question to the Minister of Northern Affairs and National Resources, notice of which I have given. What decision has the department arrived at regarding the request made by the Banff school board for the acquisition of block 54 in the township of Banff for the purpose of erecting a new school thereon?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): The remarks I just made with respect to the question asked by the hon. member for Calgary North would apply also to this question.

EGGS

INQUIRY AS TO METHOD OF INSPECTION

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to ask the Minister of Agriculture if the departmental egg inspectors work on the basis of secret instructions rather than according to printed regulations, as reported in the *Western Producer* of February 2, 1956?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was kind enough to send me a copy of his question. The reply is as follows. The report in the *Western Producer* of February 2, 1956, implies that secret instructions have been issued to the poultry production inspection staff in British Columbia, particularly with respect to the washing of eggs.

No such secret instructions have been issued. Some months ago the district officer of the poultry division of the federal Department of Agriculture in British Columbia advised the divisional headquarters in Ottawa that it had been proposed that the department should, under their regulations, prohibit the washing of eggs sold as grade A-1. Federal regulations with respect to the grading of eggs make no reference to washing, and there is therefore no authority under these regulations to prohibit or otherwise deal with the washing of eggs. The district inspector in British Columbia was advised accordingly, and that he should not take any steps to prohibit the washing of grade A-1 eggs. This was routine administrative procedure, and was no more secret than any other routine instructions issued to district inspectors.

I should point out, however, that the inspection of eggs in British Columbia or in any other province in Canada, in so far as it concerns eggs that are produced and sold within that province, is a provincial and not a federal responsibility. In some of the provinces they do require them to wash eggs, and in others they do not. The only position our inspectors would take with regard to it is that if eggs are being shipped into British Columbia from outside, or are being shipped from British Columbia to some other province or to the United States, then our inspector would have something to do with the inspection.

In order to overcome difficulties our inspector, when he inspects eggs that are produced and consumed in British Columbia, is operating for the provincial government of British Columbia. We have standing laws and regulations with regard to that matter. When the provincial inspector is inspecting eggs that go out of the province or come in from outside, he is acting for our department. So it would be impossible for any individual to know, without going into all the details, just which government the inspector was acting for at the time.

Mr. McCullough (Moose Mountain): I wonder if I might ask the minister a supplementary question. Could he tell the house whether the article referred to and the prices paid to producers had anything to do with the regulations he mentioned?

Mr. Gardiner: I have never tried to take responsibility for what any newspaper publishes. I have enough trouble trying to keep them in line with what I say, on occasions when they publish what I do not say. I understand from what the Leader of the Opposition said last evening he had somewhat the same trouble with the Winnipeg *Free Press.*

PRICES PAID TO PRODUCERS IN RELATION TO FLOOR PRICE

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, may I address a question to the Minister of Agriculture. It is supplementary to the previous one asked by the hon. member for Moose Mountain (Mr. McCullough) with relation to eggs. Has the Department of Agriculture or the government any jurisdiction

over the prices paid to producers for eggs in relation to the floor price which is set by the department?

Right Hon. J. G. Gardiner (Minister of Agriculture): The floor that is set for eggs across Canada is an offer of the federal government to take delivery of eggs that are in storage as of December 1 in any particular year at a price of 38 cents delivered at the plant where they are stored. It is in the same position as the price of hogs. This government has no authority to set a price in the provinces with regard to what is paid for eggs by individuals doing business within the provinces. But this government has set a floor price which can be enforced by the provincial government. The provincial government is secured by the price offered by the federal Department of Agriculture and can if they see fit establish an actual price which must be paid by those doing business within the province. I might say to my hon. friend that if they do so, I hope they will do it before next summer out in the province of Saskatchewan, because I have a fairly good idea what you are going to say under certain circumstances.

FISHERIES

BRITISH COLUMBIA—REPORTED LATE RUN OF COHO SALMON

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Fisheries. Has the attention of the parliamentary assistant been drawn to a news dispatch in the Vancouver *Sun* of Saturday, February 4, to the effect that a late run of Coho salmon has appeared in the rivers on Vancouver island? If so, would he care to make any comment at this time as to what action the department is taking in this connection?

Mr. J. Watson MacNaught (Parliamentary Assistant to the Minister of Fisheries): Mr. Speaker, I wish to thank the hon. member for having given me notice of his intention to ask this question. It has permitted me to get a copy of the Vancouver *Sun* and read the news dispatch in question. I asked our officials to get in touch with our officers in British Columbia to see if there was any substance in fact for this news story. If the information I receive warrants it, a further comment will be made.

[Mr. Zaplitny.]

POST OFFICE DEPARTMENT

INQUIRY AS TO PROTECTION OF POST OFFICE AT SUNDERLAND, ONT.

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): I should like to direct a question to the Postmaster General with respect to a question I asked a week ago about the Sunderland post office, which has been robbed five times in a couple of years. Has the department installed a telephone or a burglar alarm in that office?

Hon. Hugues Lapointe (Postmaster General): I am sorry, Mr. Speaker, but I have not the detailed information. I will endeavour to get it. I do not know exactly what post office the hon. member referred to. As a matter of fact, I read his question in *Hansard* and he simply referred to a post office in western Ontario without mentioning the name.

Mr. Hodgson: It is at Sunderland, Ontario.

MEAT

HOGS—PROCEDURE WHEN BOUGHT BELOW FLOOR PRICE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Minister of Agriculture in order to answer the requests of certain farmers. What penalty is exacted or what course is followed in the event that a packer makes a return to the farmer for hogs sold and delivered to that packer at a price below the floor price set by the government?

Right Hon. J. G. Gardiner (Minister of Agriculture): Well, Mr. Speaker, there is not necessarily any penalty. It is the general practice that when attention is called to anything which is considered irregular, it is corrected. However, in so far as those matters are concerned, I doubt very much if anyone in the house or outside it can determine whether or not a regulation has been broken when all you have is the actual price paid.

That is so because in some cases the individual trucks his own hogs to the centre where they are to be marketed. In many of these cases he takes them directly to the packing plant. He must take them to the stockyards if he is going to have them come under the floor price, but whether or not he takes them directly to the plant is a matter of his own choice.

There is another means by which they get there. An individual trucker may take the farmer's hogs from his farm in a truck to the stockyard or the packing plant, and in some cases there are costs for shipping that have to be taken care of when settlement is

made with the individual who sent the hogs. All these matters have to be checked before you can determine whether there has been any breach of the floor, and they are all carefully checked as soon as the individual sends in his sheet.

Mr. Diefenbaker: If there is a breaking of the regulations what happens?

Mr. Gardiner: I have not known of any, so I am not going to say what will take place if something happens which may never happen.

[*Later:*]

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a supplementary question to the Minister of Agriculture. Would the minister be prepared to table in the house the regulation under which floor prices for hogs are established?

Mr. Gardiner: I think I can explain it now in less time than by laying the order on the table. The government offers 23 cents, basis Toronto or Montreal, for grade A hogs to anyone who finds that he cannot get that much for them from any other source. It is up to the individual to deliver them to the government in the way that is set out.

Mr. McCullough (Moose Mountain): I wonder if the minister would indicate under what authority or regulation this price is established?

Mr. Gardiner: Under the authority of the government to buy anything from any person that they might choose to buy. If my hon. friend wants a full answer to what he is asking, the fact of the matter is that this government has no authority, under the constitution or otherwise, to set prices for products that are produced and sold by a person in the province to some other person in the province. It has no authority whatsoever. But we set a floor price, and any provincial government can use that as their security in setting a price which they can enforce. We cannot say it is the price. If my hon. friend wants any different circumstances than exist out in Saskatchewan, he knows how to get them.

[*Later:*]

Mr. F. S. Zaplitny (Dauphin): In view of the statement made by the Minister of Agriculture with regard to floor prices on hogs, would he reconsider the answers he gave on January 12 in reply to a question by the hon. member for Moose Mountain, in which he said and I quote from *Hansard*—

Mr. Speaker: Order. It seems to me that we have had several questions relating to hogs and eggs, and now the hon. member wishes to have the minister go over some of the answers which were given a few days ago. Could not this matter be left for debate at the proper time?

CHEESE

INQUIRY RESPECTING FUTURE IMPORTS FROM NEW ZEALAND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Trade and Commerce. It has to do with a question I asked the minister about ten days ago. Has the minister any information yet with respect to whether there are likely to be any imports of New Zealand cheddar cheese into Canada within the next six months?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I made inquiries at the office of the high commissioner of the government of New Zealand, and he knows of no shipments coming this way. My own office knows of no shipments. However, my crystal ball is on loan at the moment, and I cannot say what will happen in six months.

[*Later:*]

Mr. G. S. White (Hastings-Frontenac): I should like to direct a supplementary question to the Minister of Trade and Commerce arising out of the answer he gave to the hon. member for Oxford. Is it not correct to say that cheddar cheese from New Zealand could be imported into Canada without the knowledge or permission of the minister, or any permit granted by him?

Mr. Howe (Port Arthur): It would have to come in Her Majesty's mail to make that possible. We have a record of any freight that is landed from a ship.

Mr. White (Hastings-Frontenac): But is it not correct to say that anybody can import cheddar cheese from New Zealand into Canada without the authority of the minister or without obtaining any permit from his department?

Mr. Howe (Port Arthur): There is no permit required, but there is a customs duty on cheese, and the port record would show if there were an importation of cheese by ship. No permit is required. Anyone can import cheese who cares to pay the duty.

Inquiries of the Ministry

EXPORT AND IMPORT PERMITS ACT

INQUIRY AS TO TABLING OF ANNUAL REPORT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I wonder whether the Minister of Trade and Commerce would recover his crystal ball long enough to answer now the question I asked him yesterday and tell the house when he will table the report on the 1955 operations under the Export and Import Permits Act?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I am glad my hon. friend asked that question, because the report was tabled at the opening of this session.*

**See further comments on this page under heading "Privilege".*

PUBLIC SERVICE

PREVAILING RATES EMPLOYEES—REQUEST FOR CONSIDERATION OF WAGE INCREASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Does the consideration which he and his department are giving to the wage scales of the civil service include consideration of the position of employees whose wages are set by prevailing rates? Will they too be awarded an increase at any early date?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I suppose that one should retain his patience, but surely it is obvious that the Minister of Finance, in the discharge of his duties, would be considering all these matters.

PRIVILEGE

MR. FLEMING—REFERENCE TO REPLY GIVEN BY MINISTER OF TRADE AND COMMERCE

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, this afternoon the minister gave an answer to a question of mine—

Some hon. Members: Question.

Mr. Fleming: On a question of privilege; he said a return had been tabled at the opening of the session. He did not make it clear that what he referred to was today's session, and I think it is quite apparent from the laughter—

Some hon. Members: Oh, oh.

Mr. Fleming: I think it is quite apparent from the laughter that greeted his remarks that a number of hon. members thought he meant the beginning of this session of parliament.

[Mr. Howe (Port Arthur).]

Mr. Speaker: Order. Obviously, the hon. member wishes to clarify an answer he has received. He can do so by asking a supplementary question and asking the minister if he meant the opening of this session or the opening of this sitting.

Mr. Fleming: Then I wish to ask the minister why, in answering this question this afternoon—

Some hon. Members: Order, order.

Mr. Fleming: —he did not give—

Mr. Speaker: Order. Would the hon. member be good enough to put his question.

Mr. Fleming: That is what I was in the midst of doing. Why did not the minister give a frank answer this afternoon instead of a misleading one?

Mr. Speaker: Order. I think I was quite right in asking the hon. member for Eglinton to ask his question and not to further comment in his own fashion as to the type of answer he received.

Mr. Howe (Port Arthur): The hon. member complained yesterday that the report had not been tabled. I did not question the fact that it had not been tabled. I looked into the situation and I found the department had the report in print in English but were waiting for the French version so both could be tabled simultaneously. I instructed yesterday that the English version be tabled today. It was tabled today, and I do not know what my hon. friend is complaining about.

Mr. Fleming: Mr. Speaker—

Some hon. Members: Question.

Mr. Fleming: My question would be as to why the minister, in answering that question, did not state his answer in a manner that would not mislead his supporters in the house.

SUPPLY

The house resumed, from Monday, February 6, consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Churchill.

SHIPMENT OF ARMS ABROAD

Mr. Macdonnell: Mr. Speaker—

Mr. Speaker: Order. It is obvious that the hon. member for Greenwood is not going to begin his remarks until some order has been established by the house, and I quite agree with the position he is taking. I think if every hon. member who initiates a debate at this time of day would take the same attitude the hon. member is now taking, we might perhaps have order right at the beginning of our discussion following the orders of the day.

Now that I have the opportunity I should like to make one further point. Would the hon. member for Greenwood please be seated while I do so. I wish to point out that too often standing order No. 12 is being disregarded. May I take this opportunity to ask hon. members to carefully study what standing order No. 12 says. I beg to draw your attention to paragraphs 3 and 4, and in particular paragraph 4, which says:

> No member may pass between the Chair and the table, nor between the Chair and the mace when the mace has been taken off the table by the Sergeant-at-Arms.

This is the point I am making further to that which I made a moment ago in asking hon. members to maintain order as soon as the discussion begins when the orders of the day are called. The calling of the orders of the day seems to be a general signal to promenade for far too many members. Often you see hon. members passing between the Chair and a member who has the floor, or circulating in other parts of the house. Certainly that is not good decorum, and I would ask hon. members to respect the letter of this standing order which has been placed there for a purpose. I would ask hon. members for their co-operation in this regard.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I rise on a point of order. It is my contention, Mr. Speaker, that under a ruling given by Mr. Speaker Sproule on February 13, 1913, in which he said that a motion must not raise a question substantially identical with one on which the house has given a decision in the same session, our present discussion is out of order. It is my contention that this house on February 1 of this session made a decision on a question which is identical to the one which is about to be debated this afternoon and which was debated yesterday. This was done on a recorded vote of 153 nays to 64 yeas. The amendment to which I refer as having been discussed in the house reads as follows:

> In view of the present critical situation in the Middle East, this house expresses its strong disapproval—

These are the underlying words—

> This house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance.

It is my opinion that the house made a definite decision and that the method by which the government determines its export of arms was decided by that vote. The amendment in relation to which discussion is taking place this afternoon reads as follows:

> That in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs—

If we have expressed an opinion on the method by which the government has been conducting its affairs with respect to the export of munitions, I feel that we need not discuss the question further on a motion to go into supply, which has been preserved for hon. members to bring to the attention of the house matters that could not and would not come before the house under ordinary circumstances. This amendment concludes as follows:

> —with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

I feel that this house has definitely recorded its opinion as to how affairs are conducted in respect to shipments of arms, and for that reason I maintain that this amendment is entirely out of order.

Some hon. Members: Hear, hear.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I say a word on the point of order. I observe that the question as to order has not been raised from the government benches.

The hon. member for Kootenay East suggests in effect that these are similar motions. In my submission, Mr. Speaker, they are quite different and entirely dissimilar. My hon. friend has misread them or has misinformed himself in the course of reading them.

May I direct your attention, Mr. Speaker, to precisely what the house decided on February 1. On a government motion that you leave the chair for the house to resolve itself into committee of ways and means, the hon. member for Prince Albert (Mr. Diefenbaker) on January 31 proposed the following amendment, to be found on page 724 of *Hansard*:

> That all the words after "That" be deleted and the following substituted therefor:
> "in view of the present critical situation in the Middle East, this house expresses its strong disapproval of the government's policy of authorizing the shipment of munitions of war to countries in that area not within the NATO alliance; and also condemns the government for the lack of candour with which the matter has been dealt with in this house."

Later that afternoon the hon. member for Rosetown-Biggar (Mr. Coldwell) introduced the following amendment to the amendment I have just read. It is to be found at page 728 of *Hansard* and reads as follows:

> That the amendment be amended by inserting therein immediately after the word "alliance" the following words:
> "without at the same time making sure that peace in that area would be guaranteed either by

the United Nations or by the powers that signed the tripartite agreement of 1950, namely the United States, the United Kingdom and France.

Those two amendments were defeated on division in the house on Wednesday afternoon and those questions, of course, are therefore withdrawn from the subject matter of any other resolution or motion which may be introduced in the house at this session. No one questions that. However, in comparing those two amendments with the amendment now under debate you will see that they cover quite different subject matters.

I would draw your attention, sir, to the fact that the amendments introduced on January 31 were concerned with the policy of the government in reference to the shipment of arms; second, that the shipment of arms involved was to a particular area in the world. A third question was involved in the amendment introduced by the hon. member for Prince Albert, namely condemnation of the government for lack of candor. That has not arisen in the course of this present debate.

The amendment under debate today does not concern itself with the shipment of arms to the Middle East; it has to do with the shipment of arms anywhere. The amendment of last Tuesday, January 31, concerned itself with the policy of shipping arms to that particular area. The present motion has to do with the procedure to be followed in reference to the shipment of arms anywhere in the world.

Between the subject matters of those two motions there is a world of difference. However, it must be perfectly clear to hon. members that this present amendment has been framed having in mind the necessary acceptance of the fact that the question in regard to policy as to shipments to the Middle East was settled by the vote taken last Wednesday. The house decided last Wednesday that apparently it would not entertain a proposal disapproving of government policy permitting the shipment of arms to this troubled area. The present motion says in effect, "All right; that question has been decided. Apparently the policy is to permit the shipment of arms. We will now go on from that point and concern ourselves with the question as to how those shipments are to be carried out as a matter of procedure."

That involves the question of the issuance of permits; that involves the question of what government departments are to be concerned in the issuance of permits; that involves the question of what knowledge parliament is to have of the matter; that involves the question of government method in this matter, or whether it is a matter of ministerial order or decision. It concerns the whole basis upon which these permits are to be issued.

That is quite a different field. This motion could not challenge the decision in reference to the policy that shipments of arms are to be permitted by government decision. But accepting that situation arising out of the defeat last Tuesday of the opposition amendment, this amendment goes on to say, "If shipments are going to go, it is time the house knew how"—you can spell "how" whichever way you wish—"they are to be made." This house must concern itself with the whole basis of the procedure in reference to such shipments. We are in a quite different field from that covered by the motion last week.

I point out that the subamendment introduced by the hon. member for Rosetown-Biggar did not enlarge the scope of the amendment moved by the hon. member for Prince Albert as I have just now discussed it.

I would also draw your attention to a very brief review of these decisions, including the one to which my hon. friend made reference, to indicate that there is no ground here for ruling out the present motion. In Beauchesne's third edition, page 139, reference 357, we find the paragraph to which my hon. friend made reference. This contains a ruling by Mr. Speaker Sproule on February 13, 1913, which ruled out a proposed amendment on the ground that a motion must not raise a question substantially identical with one on which the house has given a decision in the same session.

I emphasize those words, "substantially identical". I have pointed out that far from being identical or even substantially identical, in this case the present motion is framed on the basis that the question as to policy in regard to the shipment of arms to the Middle East and Near East was decided by the house in rejecting last Wednesday the amendment introduced by the hon. member for Prince Albert on Tuesday.

Then if you will look at the notations on Speakers' decisions on pages 714 and 715 you will see that rulings in regard to matters that are substantially identical are not given lightly. On page 714 we have a decision by Mr. Speaker Smith on April 8, 1859, when he declined to rule out a later amendment simply on the grounds now put forward by my hon. friend because several additional particulars had been added to the former motion which was said to be substantially similar. Even the addition of several further particulars in that case was regarded as ground for holding that the two motions were not substantially identical.

Then on page 715 we have a decision by Mr. Speaker Cockburn given on April 3, 1871, when he ruled in effect that the amendment with which he was dealing related to an act which had already been before the house, had been reviewed by the house and had been the subject of amending legislation at the same session. The later amendment sought to be introduced *de novo* therefore was ruled out of order because the subject matter had been disposed of already. I have already made mention of the ruling of Mr. Speaker Smith where additional particulars were contained in an amendment.

It is quite obvious, I think, that we have here a clear distinction. The only possible effect of the amendment now under debate is that it does not attempt to reopen the decision made by the house last Wednesday on the amendment of the hon. member for Prince Albert. It goes into a new field. It accepts the decision made by the house and goes on to deal with a new question arising as a consequence of the decision of the house at that time.

Mr. Byrne: Mr. Speaker, it is quite obvious that the hon. member for Eglinton (Mr. Fleming) has felt that this is at least a borderline case because apparently he has done considerable homework in order to counteract any arguments that might be made. The hon. member has suggested that this is an entirely new field. I was in the house for practically the whole debate, and I heard no new arguments. The whole debate revolved around whether we should or should not have shipped 15 or 25 unarmed planes to Egypt. The only change in the whole situation was the number of imbecilic stories through which I had to suffer.

Some hon. Members: Order.

Mr. Byrne: I would draw your attention to the standing order dealing with irrelevancy or repetition in connection with amendments. If this amendment is not a repetition—

Mr. Drew: Mr. Speaker, on a point—

Mr. Speaker: There cannot be two members in possession of the floor at the same time.

Mr. Drew: I am rising on a point of order. I should like your ruling as to whether it is proper to refer to debate in this house as imbecilic. If it is, then we will have a word that perhaps can be employed more widely.

Mr. Speaker: I did not hear the expression being used. It may have been when I was looking up the authorities. I did notice that some hon. members were reacting unfavourably to what the hon. member for Kootenay East (Mr. Byrne) had said at one point, but I am sorry I did not hear it. Is the expression just mentioned by the Leader of the Opposition one that the hon. member used?

Mr. Byrne: I was referring to stories which had taken up the time of the house when an important matter was being discussed, and I considered that they were imbecilic. If that casts any reflection upon the hon. member I am quite happy to withdraw it.

Mr. Knowles: Before I indulge in a speech on this point of order, would it be fair to ask Your Honour if there is any doubt at all about it? It seems to me there is no doubt that this motion is sufficiently different from the other one that it could hardly be ruled out of order on the grounds suggested by the hon. member for Kootenay East (Mr. Byrne).

Mr. Speaker: I would say I have no doubt as to the position I want to take with respect to this matter. I do sympathize, however, with the point that has been raised. This I think, in fairness to the hon. member for Kootenay East, I must say because I have in mind at the moment a reasoning by Mr. Speaker Black with which I find a great deal of sympathy. He said that you cannot divorce a speech that is being made from the motion to which the speeches lead. This is why I stressed that point the other evening in the middle of the speech made by the hon. member for Winnipeg South Centre (Mr. Churchill). If you speak in a certain direction and end in another, it is difficult to know exactly where the house is going, because the opener of the debate sets the pattern.

There is no doubt that the debate that took place the other day was on a motion to discuss external affairs. That was the intention, and the debate was arranged for that purpose. It was to be a wide debate on external affairs. Prior to the debate on external affairs the Secretary of State for External Affairs had made a speech during the debate on the address in reply to the speech from the throne, in which he said, as reported on page 463 of *Hansard*:

> Now, what are the principles, the rules governing the shipment of military equipment from this country? These principles are the result of careful consideration and are, I think, sound and reasonable. The decisions based on them are made only after studying the relevant factors in every case submitted to us. The system of controls and checks through which policies and decisions are carried out is as effective as that of any other free country.

Then he dealt with the procedure, which is precisely what is being hit at the moment by the amendment moved to the motion that the Speaker leave the chair. It is the policy

referred to in that speech and the provisions made to carry out these policies that were hit by the motion of want of confidence moved the other day. So if the speeches are to be the same, leading to two different amendments, there is a good ground for the hon. member for Kootenay East to think that there is similarity between the two motions.

I am at the moment considering that a motion for the Speaker to leave the chair for the house to go into committee of supply is an opposition motion. It is one that gives the opposition great latitude, and I would not want to curtail the rights of the opposition in airing grievances. I would simply conclude this little argument by saying that the amendment is sufficiently different from that which was debated and decided upon the other day by the house, to be considered to be not substantially the same. I was not here last evening—as a matter of fact, I almost adjourned the house by mistake—but I do ask hon. members again, if they repeat arguments used in a former debate, not to make the same speeches which would have applied to the motion of want of confidence that was debated and defeated the other day. They should direct their speeches closely to the subject matter of the amendment they have moved, namely the procedure.

Some hon. members on both sides have referred to rulings that have been made, leaving perhaps the impression that the rulings made by former Speakers were proclaiming a doctrine that is new. It is the assertion of an old rule of parliament, which I find in Bourinot, fourth edition, page 328, and which reads as follows:

> It is, however, an ancient rule of parliament that "no question or motion can regularly be offered if it is substantially the same with one on which the judgment of the house has already been expressed during the current session". The old rule of parliament reads: "That a question being once made, and carried in the affirmative or negative, cannot be questioned again, but must stand as a judgment of the house". Unless such a rule were in existence, the time of the house might be used in the discussion of motions of the same nature and contradictory decisions would be sometimes arrived at in the course of the same session.

Hon. members may consider too—and this is a point for future amendments which may be moved to motions that the Speaker leave the chair for the house to go into committee of supply—that if the other day the house said that the policy of the government in dealing with this matter should not be condemned and if it decided today that the procedure under which they execute their policies should be condemned, then would we not have two contradictory decisions? It is a difficult point.

[Mr. Speaker.]

As I say, the motion in this instance is an opposition motion, and I would let the opposition benefit from the latitude which is usually given to motions of this kind.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I was interested in what you had to say about the promenade which usually takes place after the orders of the day. I would like to think that the rather larger numbers facing me today are due to a desire to hear what I am about to say. However I do not entirely believe it, because I think it has more to do with discipline than with any desire to hear me. It relates, no doubt, to a small incident the other day as a result of which I understand precautions have been taken so that it shall not occur again.

Mr. Speaker: The hon. member at this moment is under the domination of a rule which says that, whenever he begins speaking, his remarks should be relevant to the question before the house.

Mr. Macdonnell: Thank you, Mr. Speaker.

An hon. Member: He needs discipline.

Mr. Macdonnell: Mr. Speaker, I am venturing a short interlude in this debate because it seems to me, as far as my short experience of this house goes, rather unprecedented. I have often criticized the government before with a good heart, but I must say I never felt before that the government had made itself so supremely ridiculous as it has done in this case.

That is my excuse for being prepared to support the resolution that was laid before us, which makes a very simple suggestion, namely reference to a standing committee so that a definite code of procedure may be adopted.

It seems to me this thing has gone from bad to worse. Even today we are disappointed to learn that the undertaking that was given a short time ago is evidently now considered to be too comprehensive, and we understand from the Prime Minister today that it is being restricted.

Now that we have had a little look inside to see what happens, one begins to wonder whether this all-wise government does much of its other business in the same way. Why should it all be confined to the export of arms? Therefore I am proposing to discuss this resolution for a few minutes and try to assess the reasons, if there are any reasons, which the government might have for not adopting it.

I said last night that, so far as we could see from the evidence we had before us, in these series of occurrences the government has been proceeding by a kind of hodge-

podge of misunderstanding among two or three of its members. That is my justification. To me it is as clear as crystal. This is no ordinary matter. It is perfectly clear that this matter is affecting the conscience of the people of Canada, yet how was it dealt with by the government? It was dealt with in a routine way, as if it were supremely unimportant. I shall have a word to say about the famous order in council. I shall try to give a very short saga of the order in council which we discovered finally was not an order in council. It really seemed to evaporate into thin air.

At any rate it is perfectly clear, as I say, that there was bungling and confusion and anything but the kind of efficiency which this government likes to pretend it has. As I say, it was all treated casually. When I think about these 34 centres, sensitive centres I believe the Secretary of State for External Affairs (Mr. Pearson) called them, and when I try to apply to them the reasoning the hon. member for Winnipeg South Centre (Mr. Churchill) put forward last night, the vivid picture he gave of arms starting off in the casual way they do start, going off across the horizon to God knows where, and the utter impossibility of our being able to know what happens to them after that; when I think that might happen in literally dozens of cases throughout the world, I find myself extremely shocked. I also think a great many other people were shocked.

The other thing I want to know is how long this would have gone on. It was not found out by the government as such. It was found out by the opposition, by parliament.

Mr. Howe (Port Arthur): What was found out? Will my hon. friend tell us what was found out?

Mr. Drew: Not too much.

Mr. Harris: Make up your mind.

Mr. Macdonnell: The shipment of these things we are talking about, the subject matter of the order in council which the minister told us the other day was not an order in council. It shrank during the course of its career in the House of Commons. I think we all know just what we are talking about, even though there has been a good deal of confusion about the matter. What a display this has been.

Although I am not an adherent of the government, I think I can honestly say I was shocked to find that a government, which after all is the only government we have, could do the things it has done and come here in a complete state of misapprehension among its various members, and then proceed to sound off with really the most extraordinary series of mistakes. I would have thought that when this matter arose the government would have made very certain that there would not be any more mistakes made, and that there would be no further openings given to us.

I want to spend a moment or two, not long, in giving what I call the saga of this order in council, because I think it is very desirable for us to remind ourselves just what has happened. Then I propose to ask very briefly just what the reasons could be that the government would refuse to allow parliament to have a hand in the matter. If they will not it seems to me we may well wonder whether the legend on the labour publication the other day, which referred to parliament as one of the agencies of the government, was so wrong after all, and whether that is not the way they do regard parliament.

I want to give the saga of the order in council. On January 24 the Minister of Trade and Commerce said that the date of the order in council was July 7. On January 27 the order in council had a strange experience, because during the course of three hours it shrank. As appears at page 599 of *Hansard* of January 27, the Leader of the Opposition directed a question to the Prime Minister to which he answered as follows:

> I shall see just what the order in council is and endeavour to have it available before the debate on external affairs.

Later that afternoon, as appears at page 639 of *Hansard*, the Minister of Trade and Commerce rose on a question of privilege and said:

> . . . I should like to correct a misstatement I made through carelessness. I am reminded by a question addressed to the Prime Minister (Mr. St. Laurent) this morning that on January 4—

I think it should be January 24.

> —I referred to an order in council which conveyed approval of the shipment of Harvard training aircraft to the Middle East. I had in mind that orders in council were required for every export shipment, but that is not the case. They are required only in case government property is concerned. In the case of an export permit relating to private property, if it has anything to do with military affairs or if it is going to be a sensitive area—

One of the 34.

> —ministerial concurrence is required by the ministers of external affairs, defence and trade and commerce.

Finally we have the death knell, as it were, of the order in council, at page 787 of *Hansard*. This was on February 2, two or three days later, when the Leader of the

Opposition again asked the Prime Minister about the order in council and the permit and the Prime Minister said:

Mr. Speaker, that is a document which for other reasons it is not practicable to make public.

Later the Leader of the Opposition said:

Mr. Speaker, may I then ask the Prime Minister what document there is that can be placed before the house which will show what actually took place on July 7?

The Prime Minister replied:

There is no document which can be placed before the house to show what actually took place on July 7. The hon. gentleman has been informed of how the matter was dealt with. It was dealt with by communications between ministers and those have invariably been regarded as confidential documents and have to be treated as confidential documents so that the ministers who are all jointly responsible for that which has been done, even under statute, by any one of them may see to it that they are properly informed of when and how they are going to have this joint responsibility.

In other words, as we see, in the course of about a week the order in council shrank into a permit, then it shrank into an understanding and then it really seemed to disappear into thin air. I think what happened is worthy of being compared with the writings of the author of "Alice in Wonderland". You remember these lines:

He thought he saw a banker's clerk descending from a bus,
He looked again and saw it was a hippopotamus.

Really it seems to me that this order in council, which has changed its character throughout, is almost worthy of being described in that way.

Mr. Rowe: It started out as a hippopotamus.

Mr. Macdonnell: What we are suggesting is a code of procedure. As I say, this is no ordinary business. This is a matter which touches the public conscience, and I think perhaps that is going to become more evident as time goes on. I should like to read a short extract from an editorial that appeared in the Toronto *Star* of January 28. It reads in part as follows:

In the present state of explosive tension in the Middle East, there can be no assurance whatever that the arms and equipment sent by Canada will not be used for aggressive purposes. Therefore, to ship arms there in any quantity or in any ratio is morally irresponsible; and it is inconsistent with a policy of promoting peace.

I quote again later—

Mr. Howe (Port Arthur): Is this the editor of the Toronto *Star* speaking? Are you reading from an editorial?

Mr. Macdonnell: I am reading an editorial.

Mr. Howe (Port Arthur): Good. It is illegal, but go ahead.

[Mr. Macdonnell.]

Mr. Fulton: Is that a ministerial order or an order in council?

Mr. Harkness: You have now issued your permit.

Mr. Macdonnell: Mr. Speaker, the acting speaker indicates that I may proceed. I continue:

A better way, we suggest, would be for the west to halt its arms shipments to the Israelis and Arabs, guarantee the existing frontiers against aggression by either side until a peace treaty can be signed, and back up the guarantee by placing international patrols in Palestine. This should be done through the United Nations if possible; and if that is not possible, it should be done by any combination of nations willing to take part.

The amendment has been put before the house as something which we are entitled to ask because of the unusual circumstances, because of the ineptitude which we have seen and which has shocked us, and because there is no sign that I can discern that the government is really going to change its ways.

I ask myself what reasons there are against the acceptance of this simple suggestion, namely reference to a committee to consider and to recommend to this house a definite code of procedure. There are two reasons which occur to me. The first is that there may be something more to be discovered, that there may be things which the government knows or suspects or fears. I do not want to think that at all; but if the matter is left as it is, I suggest that that consideration, that suspicion, that fear will remain. I think it will.

Surely the government does not suspect that in the plane which took the Minister of Public Works (Mr. Winters) down to Rio there are any concealed machine guns, or that the Minister of Fisheries (Mr. Sinclair), whose recovery we all hope for most sincerely, took a few rifle barrels down with him. Surely there is no fear of that kind. But that is one of the reasons which will be assigned if our suggestion is not followed. People will certainly ask, are there any skeletons in the cupboard? Of course when you find so many skeletons in one cupboard, you certainly may become suspicious of the others.

The other reason would be the one we know so well, namely that for the government to face the thought that parliament be allowed to take a part or to do anything is something they cannot do. It is just a thought which they cannot face. Here in July last there was an interlude in which certain things happened, and I think the Canadian people were interested. One might have thought that certain views might have been changed but I find little sign of that result.

Here is what I find about the Minister of Trade and Commerce. His feeling about what took place then was that we were just tiresome. If my memory serves me aright, at that time he said, as he listened to the speeches from this side of the house, that they seemed to him to come from some strange land. I hope I do not do injustice to his wording. I think I express what was in his mind. Then on January 16 last he said this, as reported at page 125 of *Hansard*:

> What was the purpose of keeping us here during the month of July? It was to prevent the government from getting authority on a reasonably long-term basis to deal with the materials in short supply and to allocate those materials to the best advantage of the Canadian economy.

When I think of all the labour we devoted to the matter and all the instruction we gave to the Minister of Trade and Commerce, I am disappointed that we made no greater impression than that; but there it is, and you must face the facts.

I think we must face the fact that the government may take the attitude which they so often have taken in the past, namely that to allow parliament to play any part in this matter is something that is just not done by well-regulated governments who have been in power for 20 years and who feel their oats.

The only thing I can do is suggest to the government that, just as happened last summer with respect to another matter, this matter is beginning to reach the public mind. I think there may be an increasing appreciation of the situation if it goes on, and I suggest to the government that as it was parliament—through the opposition—that brought this matter to light, and as it is parliament that is bringing it still further to light and is impressing it on the minds of the people of Canada, the people of Canada may well be surprised if the government takes the attitude that parliament may have nothing to do with this matter and says: We have blundered; we have been inept; we have been forgetful; we have been careless; we have been badly organized; nevertheless we are still the government and we are not going to allow parliament to have anything whatever to do with this matter.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, in rising to support this amendment I have in mind the remarks that have been made in this house today. I have no intention of describing incidents which have taken place in the past couple of weeks or even in the past couple of days. It seems to me that they are already on the record and there they will stand.

I might say that I approach this amendment with some diffidence because, as must be apparent to all members of this house, I certainly do not belong in the field of military experts. At a display of arms and munitions I confess to being somewhat awed. But I make no apology for that fact, because I believe that any ordinary citizen should be awed by the tremendous forces for human destruction which are today in the hands of men. I therefore speak today, Mr. Speaker, as an ordinary citizen concerned for the future of this nation and also for the sons and the young husbands and fathers who will inevitably be sent to defend us in the event that we should at any time find ourselves flung into war.

I do not want anyone to think for a moment that I am a pacifist; I am not. I am not an isolationist; I am far from it. Under NATO we are committed to co-operation with and support of our friends. As members of the British commonwealth of nations we are also committed to support the welfare of all the other members of the commonwealth. This is our family, and what involves them also involves us. However, when it comes to other countries I believe strongly that the sale of arms to small countries is not a deterrent to war. No, Mr. Speaker; I think the deterrent is in the knowledge that the great powers which are banded together in the United Nations will say no; and that not only will they say no but that they will back up what they say with action. Under the United Nations we are committed to trying to stop wars, not to fomenting them. I should like to read a couple of quotations from the preamble and the purposes of the United Nations as set out in the United Nations charter. At the beginning of the preamble we have these words:

> We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, . . .

Those are the very first words. I am one of those in this house old enough to have lived through two world wars. I know there are many hon. members in this house who have not lived through two. There are also a great many who fought in two, and some who fought in the last one. To them I am sure a different picture must be presented than that which is presented to me as an individual who, because of my sex, was not permitted to fight in either war as a direct combatant. However, there was no one who stayed at home in those wars who did not do his or her part in some capacity or other. So these words in this charter, Mr. Speaker, touch our hearts as well as our intelligence

In the preamble it goes on to say, after citing the other determinations:

> And for these ends,
> to practice tolerance and live together in peace with one another as good neighbours, and
> to unite our strength to maintain international peace and security, and
> to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, . . .

Yet we say to other countries, "Here are the weapons but do not use them"; or we say, "Here are the weapons and we will not look while you use them." Nothing here set out lends support to a policy of supplying arms, and certainly not to supplying arms to both sides in a controversy.

The purposes of the United Nations are outlined in the very first paragraph, which reads as follows:

> To maintain international peace and security, and to that end to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

As I said previously, Mr. Speaker, the greatest deterrent to war is the knowledge that the great powers will say no and will back it up with action. Yesterday in this house we had as a guest one of the greatest statesmen in the world, the Prime Minister of the United Kingdom. Included in his remarks were some very pertinent comments. He spoke about the last war, and how even when we were sure victory had been won there were still things that had to be accomplished. He made this statement:

> He would still be a rash man or an ill-informed one who would attempt a confident prophecy for mankind today.

I think that is what bothers all of us, the uncertainty. Where are we heading? What is in front of us? When even several members of the cabinet of one of the great nations of the world cannot agree as to what has taken place under their own jurisdiction, no wonder the people of that nation feel some uncertainty as to their future.

After listing the various good points, as he called them, Sir Anthony had this to say about the bad points or, as he called them, those on the debit side. He said:

> First, the increasing hazards which some are prepared to take.

I hope we will digest those remarks of his, because in all the excitement of yesterday I think possibly some of us were more concerned with giving welcome to a welcome guest than we were with digesting his words. He listed the following:

> First, the increasing hazards which some are prepared to take. Second, the dangers of aggression by countries which believe they can ignore the deterrent. Third, the continued existence of local disputes, whose consequences could engulf the world.

There were others, Mr. Speaker, but those three I should like to place on the record. It seems to me that the final one is the most dangerous of those three. It is dangerous because it could be built up on the first two. I do not believe for a moment that the people of this country get terribly excited about what happens a few thousand miles away if they think it is going to stay right there. But there is no power on earth that can draw a little line around a conflagration once it has started. There is no power that can say that when one tree in a forest catches fire the whole forest will not go; and that is what we are up against. How do we know that if a conflagration breaks out in some remote part of this earth today we will not be caught up in it before it is finished? We do not know. We are sitting on a keg of dynamite while the ministers of the crown throw lighted matches in a fine spirit of abandon.

If trouble breaks out somewhere, Canadian troops will inevitably be involved. If we are drawn into trouble, then this whole country will say to us, why did you not do something about this in the initial stages? Why did you not foresee that trouble would engulf us? Did you not live through two wars? Did you not see a minor incident in a remote country build itself into a war which engulfed all the peoples on this earth? Every member in this house, Mr. Speaker, represents thousands of citizens, and it is the duty of every member in this house to know what course we as a nation are going to follow. It is for that reason we think the matter of supplying arms and munitions should go to a committee where it could be properly assessed, a committee of experts on external affairs.

Yesterday in this house a statement was made by the Prime Minister with reference to the lifting of the embargo on the export of arms and munitions. Last evening, listening to the news on the radio, I cannot say I was surprised but I was interested to note that without exception the attitude taken by the newscasters was that this opened the gate again for a resumption of the activities which had been denounced in this house last week. Here we go all over again; more weapons to both sides.

We are bound on subjects of this sort, to obtain the considered opinion of a standing

committee of this house charged with the responsibility of delving into the pros and cons of each individual case as it comes up. I am agreed that each case must rest on its own merits, but the overall policy must be sound. Let us have no more of this trafficking in weapons; let us have no more of these invitations to war.

I said a few minutes ago that I was no pacifist and I am no isolationist. It is well known, Mr. Speaker, that I have always supported the defence preparedness of this nation and will continue to do so. I am satisfied to leave it to those who are experts in the field to determine what is adequate. I do not know whether or not the defences which we have today for Canada are adequate, and I should be talking nonsense if I attempted to establish myself as being knowledgeable on that subject.

However, it is my firm belief that we do not dare relax our preparations; we do not dare to let up in our efforts. It is also my belief that in the event we are drawn into war every able-bodied man and woman in this country must be available for the duties they are required to do, whether it be in the front lines or at home; and it is becoming increasingly apparent that these two posts of duty may very well be synonymous the next time a war occurs.

Therefore we must exercise care, Mr. Speaker. So we feel that these decisions must not be made in several departments of government without reference to other departments of government. We believe that anything as important as the export of arms and munitions must go to a place which will act as a clearing house for the various departments of government.

As I said, I believe we must be prepared, and I believe we cannot relax; but I object most vigorously to a slap-happy policy which makes of our people pawns in a game where the stakes are the lives of our young men.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as my leader the hon. member for Rosetown-Biggar (Mr. Coldwell) indicated last evening, we shall support the amendment that is now before the house if a vote on that amendment should become necessary. It does seem to me that the government might even yet give favourable consideration to the idea of accepting this proposition without making it a matter of want of confidence. At the same time I should like to commend my friend and neighbour the hon. member for Winnipeg South Centre for bringing this matter before the house in the terms in which his amendment has been drawn.

I think we are all aware of the origins of the present discussion, and we are aware of the origins of this desire; nevertheless what is sought now is something totally different from what was under debate last week.

What is now sought is that permission be given to the standing committee on external affairs to review the whole question of the procedures that are employed in the issuing of export permits for munitions and materials of war. It is also suggested that that committee might be given the power to recommend a code which the government might in turn consider. I think it is obvious to all of us as the result of things that have happened in the house in the last two or three weeks that such a review is highly desirable, and I wish to commend our friends to the right, the hon. members of the Progressive Conservative party, on the excellent speeches they have made in connection with this matter.

I intend, Mr. Speaker, that my remarks in support of this amendment should be very brief. It is not my purpose to repeat the arguments that have been advanced by hon. members to my right or the arguments given last night by my leader, the hon. member for Rosetown-Biggar. However, I do think emphasis might also be laid on the fact that not only is there a certain amount of uncertainty and bungling on the part of the government with respect to this matter which calls for a review, but it should also be remembered that there are certain private interests in the country which seem to have no objection to trafficking in the weapons and the materials of war.

We have been reminded during the discussions on this matter that there are two main categories of military equipment. There is that equipment which is in the possession of the services or the Department of National Defence, and there is also any equipment which commercial interests may have for sale to other countries. In addition to our concern as to the procedures with respect to war materials owned by the government or in the possession of the services, I think we should also be concerned as to the procedures by means of which permits are granted to private firms to export war materials of any kind to other nations.

In that connection I would remind hon. members that the morality of some corporations in a matter of this kind is not of the highest order, as was called to our attention back in 1943 in the case of Falconbridge Nickel Mines, Limited. Other hon. members who were here with some of us at that time may recall that on May 11, 1943, the hon. member for Rosetown-Biggar drew to the

attention of the house a few rather shocking sentences in the remarks of the president of Falconbridge Nickel Mines Limited, which he made at the annual general meeting of the shareholders of that company which had been held on Wednesday, April 21, 1943—

Mr. Harris: And which everyone condemned.

Mr. Knowles: The Minister of Finance is getting a bit ahead of me. He is perfectly right, it was condemned by everyone from the prime minister of the day down. But the point is, Mr. Speaker, that we should not forget that instances of this kind indicate the morality of some of these people.

Despite the interjection of the Minister of Finance I think hon. members should recall what it was the president of this company said to the shareholders of the company on that occasion. He had been discussing the position of the company's Norway refinery which was then in German hands. So far as the balance sheet of the company was concerned he said they might as well forget it for the time being, but he went on to say this:

> Incidentally, you will be glad to learn—as I was—that through indirect channels it is reported that your Norway refinery is safe so far and is being maintained. It is in operation by your Norwegian staff, under German control, on the same Norwegian nickel-copper ore-production that we formerly handled on toll basis.

As the Minister of Finance has pointed out, once that statement was drawn to the attention of parliament by the hon. member for Rosetown-Biggar it was indeed strongly condemned by Mr. King and by others, for we all agreed that profits were hardly something to be glad about if it meant they were accumulated at the expense of material being used against our own troops overseas.

I should also like to remind hon. members of the statement which was made on September 12, 1939, by the present Minister of Trade and Commerce, when there was a discussion about a certain limitation on profits. This is what the minister said, as recorded on page 179 of *Hansard* of September 12, 1939:

> I can say to my hon. friend that from that day to this the defence purchasing board has done its very best to place contracts on that basis—

The basis referred to was the 5 per cent profit limitation.

> —and has used every pressure that could be brought to bear in the form of patriotism and so on, but to date it has not succeeded in placing a single contract on that basis.

I know that statement has been argued backward and forward a good many times since, but there it was, an honest revelation by the minister of the experience which he had had with certain profit-seeking interests in this country. I mention these two things, the Falconbridge statement in 1943 and the statement by the minister of munitions and supply, as he was then, in 1939, to indicate that the sinners in this matter of trafficking in weapons are not limited to ministers on the front benches opposite, but are also to be found among the ranks of the producers of war equipment.

Because there are these other interests, interests that think only of profit, interests glad to get orders anywhere in the world, I submit that for that reason, as well as because of the bungling we have seen on the part of the government since we came here for this session, it is time that the whole question of the procedures employed in the issuing of permits for the export of arms and ammunition should be reviewed by a committee of this house. Therefore we are glad to support the amendment which is now before us.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, as the hon. member for Macleod (Mr. Hansell) indicated last night, we welcome this amendment. We feel that it is good and timely, because events of the last few weeks have indicated that there are severe weaknesses in the cabinet, that it is shot through with indecision and lack of co-operation. We certainly hope that the cabinet are not as loosely knit in all their other decisions as they have been in regard to shipments of arms to various parts of the world. There does not appear to be any co-ordination among departments, and one minister does not seem to know exactly what is going on in other departments even though the actions may be closely related.

As has been pointed out, not only has there been a lack of co-operation among various departments in this regard; the Prime Minister seemed to be completely at sea as to what was going on. I quite agree with what the hon. member for Macleod said last night, that the opposition should not have to step into the breach and plug the holes caused by administrative blunders. I agree also with him when he says that when the government ceases to be able to govern, it is time to throw it out.

But we must stop to think and realize that we will not have an election coming up very soon. The government does have to run the country until an election is called. Therefore we will have to help to support them, we will have to put our arms around them and guide their faltering steps, until they can be replaced by an aroused Canadian people through an election.

I think we are somewhat similar to a sportsman out in the woods who finds that his boat has sprung a leak. He would like to buy another one, but until such time as he can get to a large centre he must simply plug up the hole and keep going. That is the position in which we find ourselves. It is the duty of all hon. members, including those of the opposition, to try to keep the government afloat and save the country from absolute ruin until such time as a competent government can be elected.

I was amazed at the hon. member for Kootenay East (Mr. Byrne) interjecting in that regard, because he should remember how in 1952 and 1953 the Liberal government in British Columbia had taken the same attitude. They were thrown out hard and thrown out fast. As a matter of fact they were defeated so decisively and their morale was lowered to such an extent that they will not run candidates in by-elections any more.

The proposal to send this matter to the committee on external affairs is I think good, and it should bring about a system of co-ordinated action as far as the government is concerned with regard to the shipment of arms. Then we in the opposition, as well as all hon. members, will be able to obtain some sort of coherent information when we ask questions in the house.

Although we agree with the amendment, I do not think I can agree wholeheartedly with the sentiment which provokes it. Several hon. members of the official opposition would seem to favour some degree of isolationism. As much as I dislike the thought of war—I do not want to go back again, and I do not want to see my children go to war—I cannot agree that our refusal to export arms is going to rectify the situation.

I do agree that there should be a great deal of thought and consideration before arms shipments are made to any part of the world, particularly to countries which are not our NATO allies. To be quite frank, I do not think the government has given proper consideration to the shipment of arms to countries throughout the world, but if we tie our hands so that we cannot make any arms shipments then we place ourselves in the position where we cannot ship arms to a country endangered by aggression.

We must remember that the iron curtain countries are shipping arms all over the world. They are gaining the favour of those countries by arms shipments, and if we refuse to ship arms we will only alienate the affections of a good part of the people of those countries. We simply cannot afford to do that. It would not be proper to permit the Soviet union to make arms shipments to certain areas without making at least some attempt to maintain the status quo.

There is one more point in this regard I should like to deal with, one which I think is most important. If we tie ourselves down so we canot make arms shipments we may be laying a good part of the world open to communist aggression.

Speaking last evening the hon. member for Queens (Mr. MacLean) seemed to be highly indignant that other hon. members were not taking part in the debate. He seemed to indicate that they were the only ones willing to speak. I would remind the hon. member that they were in a position to go ahead and speak because they were in a position to be prepared. We in the other groups in the house had no idea of what was coming up, and we could not possibly be prepared. They had a veil of secrecy over the whole thing, the same veil of secrecy they seem to abhor in the Liberal government.

Mr. Martin: You mean the Tories had the veil of secrecy?

Mr. Thomas: That is right. They had as much secrecy about that motion as they seem to deplore in the Liberal government. I would certainly hope that air of secrecy would not be the attitude taken if we ever had a Tory government in Ottawa. I mention that only briefly because I do not think there is any possibility of that, so I shall not say any more about it.

As I said before, I can support the amendment because it gives us a chance to brace the weakening foundations of this government to the point where it may be able to stand upon its own feet until another election is called. However, I cannot support the sentiment attached to it, which appears to be isolation, as has been pointed out by the various speakers of the Tory party.

Mr. J. W. Monteith (Perth): Mr. Speaker, I think the last statement of the previous speaker is undoubtedly off the beam. Certainly I do not think any member of the Conservative party is a pacifist or isolationist to any degree whatsoever. I have risen to speak on this motion because I feel the subject matter is of very great importance. There is a definite moral principle attached to it. Also I believe it is one of the most important subjects we have discussed since I came here in the fall of 1953. I would just like to read the motion:

> That, in the opinion of this house, the procedure with respect to the issuing of permits for the export of arms, ammunition, and military equipment, should be referred to the standing committee on external affairs with instructions to consider and to recommend to this house a definite code of procedure with respect thereto.

That is simple enough. It speaks for itself. It simply means that we are suggesting that this matter be discussed by the committee on external affairs and that it be given power to study and examine it from all angles and, having examined and studied the matter, it then brings a report back to the House of Commons.

To me there are two main questions involved. First, if we are going to traffic in arms, should we not know exactly what is going on and also exactly where it might lead? Second, it seems to me there is a question as to whether we should be in this deplorable business at all.

I do not propose to argue the factual or technical aspects of the debate. That has been done more capably than I can do it, by other members of my party much more equipped to talk on the subject in a detailed way than I am and with a world of experience. However, I cannot conceive of a more confused approach than has been taken by this government over the past weeks. What has been the attitude by this government in the past? They have given lip service to a role as peacemakers and go-betweens for quarrelling governments.

What do we find? The Secretary of State for External Affairs made a trip to Europe on a fact-finding basis, presumably a good-will tour. The Minister of Trade and Commerce has been acting like a carpet-bag pedlar of munitions, willing to sell to practically any nation in the world. The Prime Minister says it is a competitive business. Is this not what some of the huge armament manufacturers have done in past years? Undoubtedly they have also in the past been responsible for starting wars; perhaps small conflagrations, but at the same time they have fomented strife simply to further assist in selling arms.

I wonder how many Canadians actually know what has been going on. I doubt if very many do. Quite frankly I know I had not realized, until this debate commenced, just what has been happening. As the hon. member for Hamilton West said a few moments ago, and I am repeating those words, I am no pacifist, I am no isolationist; I am a Canadian first, last and always, but I certainly would like to know what is going on and whither it all may lead. The present policy of the government might well be thought to be gambling in lives—of the people of some other nation, possibly, but could it not eventually lead to Canada?

We are told that what is sold is scrap or so-called obsolete weapons. Why are we selling scrap? I am asking that question. The Minister of Trade and Commerce has remarked in this house that there is a shortage of practically everything except wheat. Is there a shortage of steel? Why should we not keep this scrap in Canada? It could well be used here. Just how obsolete are the so-called obsolete weapons? In my estimation they are not obsolete to the people who are receiving them. Weapons can become obsolete only when they can be replaced with something better.

I feel the government's attitude must fall into one of three categories: first, acquiescence in the present hopeless position; second, shame at their mishandling of the whole business; third, outright alarm that at long last they have been found completely negligent.

I would like to know how this whole issue sits on the conscience of the Prime Minister and the Secretary of State for External Affairs, who have for so long posed as champions of peace. Has not this exposé of government traffic in arms made a mockery, for instance, of our role at the United Nations? The United Nations is dedicated to peace. We have had disarmament conferences at the United Nations to talk peace. In my estimation we have been doing a great deal to foment trouble in various parts of the world.

Furthermore, Canada entered the North Atlantic Treaty Organization as a purely defensive alliance. Time and again, at home and abroad, government spokesmen have reiterated a Canadian policy of non-aggression. Now we find these are merely lofty sentiments. Apparently these sentiments are not to be allowed to interfere with what might be termed the cold practicality of turning what the government considers to be an honest dollar and which might well turn out to be blood money.

The Acting Speaker (Mr. Applewhaite): Order. I am going to interrupt the hon. member for a moment and tell him quite frankly that he is causing me some embarrassment. I have no desire to interfere with the course of a debate which I know has been allowed to become fairly broad and which I take it should, in the opinion of the house, be allowed to become fairly broad, but I think the hon. member's remarks have brought me to the position where I must point out to him that the meat of the motion we are now discussing is that the procedure with respect to the issuing of permits for the export of arms should be referred to the standing committee on external affairs. Of course I have left out a lot of the words of the amendment.

In order to justify our right to debate that particular motion at this time it was pointed out at some length earlier this afternoon that what we are discussing is not—and I am using my own words—the morals or ethics or

lack of them in the exporting of arms but the question whether or not the procedures adopted by the government should be referred to a committee for investigation and recommendation. I am going to ask the hon. member and those who will be following him to try to direct their remarks largely to that question because, as was pointed out from this rostrum earlier today, otherwise we are going to have, if not in resolution at least in debate, a complete repetition of what we had last week. I feel quite sure the hon. member for Perth and others realize the difficulty in which that puts the Chair and will do their best to assist us.

Mr. Monteith: Mr. Speaker, I certainly do not wish to put you in any difficulty. That would be the farthest thing from my mind. However, I feel quite strongly about this matter, and my reason for approaching it in this way is to try to show that there are reasons of humanity across the whole world why it should be referred to the committee on external affairs.

As I mentioned at the outset of my remarks, Mr. Speaker, I am going to be brief and I am not going to deal with the technical or factual side of the question as I consider others to be more capable of doing so than myself. But I should simply like to say that there is either a right side or a wrong side. If we are on the right side it must be uncompromisingly so. If we are wrong, then I think our policy should be changed. How can we find out except by referring the matter to the committee on external affairs? If we do not do this, it seems to me it will be a downright shame for Canada.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I wish to address myself rather briefly to the amendment before the house.

Mr. Byrne: How about wheat?

Mr. Zaplitny: You will hear plenty about wheat. The amendment calls for referring this matter to the external affairs committee for the purpose of establishing a procedure. Two things that are rather noticeable have been missing from the debate up to this point. One is the fact that no member of the government nor, as far as I am aware, any member of the party supporting the government, has had anything whatever to say on the amendment.

Mr. Byrne: We decided the question last week.

Mr. Zaplitny: That makes it rather difficult to know just what the intention of the government is with respect to the amendment, whether they intend to sit out the debate, assume that the amendment is a straight matter of want of confidence and treat it as such or whether they would prefer on this occasion to treat it on its merits.

The leader of this group has placed on the record the attitude of our party. We are supporting the amendment in the hope that it will bring about a method by which members of the house, and in that way the public, can become better informed as to what is being done and how shipments of arms abroad are made. That is the reason why it would be very valuable if some member of the government were to take part in the debate and set out the attitude of the government. If they feel the amendment is not justified, then there has certainly been plenty of time in which they could have so informed the house and stated their reasons therefor. The silence of the government indicates that either they are supremely disinterested in the question as such or they have no defence whatever to offer, and I hope it will soon become clear which one of these reasons prevails.

In my opinion the other thing that is lacking so far is that while the amendment calls for referring the question to a committee for the purpose of setting up a code of procedure, so far as I am aware not one member of the official opposition has yet stated just what procedure or method they would like to adopt. It is easy enough to call for a code of procedure, but I think the house and the country deserve a more explicit statement of what is in the minds of those who have moved the amendment.

Mr. Martin: It is quite clear they have nothing in mind.

Mr. Zaplitny: That of course puts them right in line with government policy. I have a proposal to make which I hope will commend itself to the members of the Progressive Conservative group, my friends to the left and perhaps even to the members of the government. If we are going to exercise public control over the export of arms, and it is understood that we are now referring to arms shipments to other than NATO or commonwealth countries, then I think the best way to do it would be to set up a crown company which would be charged with the responsibility of being the clearing house for this type of export. The crown company should be responsible to parliament, report to parliament through a minister, and report to a committee. Unless something of that nature is set up then I am afraid we would not be very far ahead if the government, for example, were to say that they were quite prepared to let the members of the external

affairs committee ask questions about the issuing of export permits and so on but of course they would guarantee no answers. That type of thing has happened before.

As a matter of fact it was the subject of a motion on the part of the hon. member for Kamloops (Mr. Fulton) last year when he complained bitterly about some of the things that went on in the estimates committee where ministers of the government either were members of the committee or took the attitude that their officials could answer only those questions which the minister concerned permitted them to answer. Therefore unless some clearly established machinery is set up through which all these procedures can be channelled in a responsible manner, and unless such an organization can be made responsible to parliament as a whole, I doubt very much if we will be very much farther ahead than we are at the present time. There are good reasons why there should be a public clearing house such as a crown company for the purpose of keeping strict public control over arms shipments outside of the NATO and commonwealth countries.

Reference has been made in this debate—mostly by interjection—from the other side to the fact that the amounts, the volume or the value of the arms shipments made to date in recent years has not been large. In relation to our war expenditures or our defence expenditures, that statement certainly is true. The amount of $20,000 or $1,500 or $30,000 or half a million dollars in relation to the total defence expenditures or the war expenditures during the war is a small amount of money. But the principle that is involved, as I understand the present procedure, is this. It is not too easy to understand, I may say, because we get a great variety of explanations, and then explanations of explanations, when ministers are questioned. But as I understand the matter up to this point the procedure is this. Again may I say that I would appreciate it if a member of the government were to enter this debate and make a clear-cut explanation of what actually is being done. But as I understand it, what is being done now is that a private firm may come to the government, and not necessarily to the government as such but to the Minister of Trade and Commerce (Mr. Howe) or to some official of that department, because we know that responsibility is delegated down the line. It might be the fifth assistant of the third deputy who receives the application for a permit for the export of certain arms to a certain country by that private firm. We have not yet been told just what is done or what investigation is made at that point as to the propriety of the export of those arms; as to the effects it may have on our international policy; or as to the effects it may have on the possibility of an arms race among various countries in a certain part of the world.

We do not know—we are not told and we are not able to find out; in fact we are as much as told that it is not any of our business—what procedure is followed to investigate and to determine whether such a permit should be issued. We know that certain permits are issued. We are not told—and we cannot find out at the present time—whether these firms that apply for these permits for the export of arms have any international connections in their business. We know that in the past it has been the case. As the hon. member for Winnipeg North Centre (Mr. Knowles) recalled to the house, even during the time when Canada was at war we know that certain of these firms had international connections which, even in time of war, found themselves on the other side of the fence doing business. But even in peace time do we know whether some of these firms have international business connections, whether they have particular private interests to protect which are not combined with the public interest of Canada or with the national interests of Canada or of the commonwealth. All these things have a bearing on what is done.

For example, we do not want private firms to be profiteering at the expense of human life and property, whether it be in Canada or elsewhere; nor do we want international business connections to become privateers in the business of arms regardless of what effect it may have upon Canada or upon Canada's friends and international relations. These are things that need to be found out and I can conceive of no better way at the moment. If someone has a better suggestion I should like to hear it. Certainly, unless I have not heard correctly, I have not heard a definite proposal made by any member of the Progressive Conservative group as to what they have to recommend with respect to a clearing house procedure if this matter was referred to a committee and if the committee gave this matter consideration.

My proposal is that a crown company should be set up, that that company should be responsible to parliament as a whole, and that it should be the agency, under the control of parliament, which should determine in which cases export permits may be issued if it is in the best interests of this country that this should be done; and there conceivably are cases where it may be in the interests of this country that export permits should be issued. But that is a matter that should

be considered on the basis of public interest and of the national interest of this country and not in the interests of any private group who are out to profiteer or to a privateer in an arms race.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the hon. member who preceded me has just drawn attention to the fact that we have not yet had any statement of the government's position in this matter. Quite apart from the question that fact raises as to whether the government—including the Minister of National Health and Welfare (Mr. Martin)—has anything in mind, it might be regarded as somewhat of an insult to the house that a serious suggestion put forward in a field which is of such grave concern to the people of Canada should receive from the government no statement as to their position.

It is not usual that hon. gentlemen opposite are so coy. It is not usual that they hide their light under a bushel. In the past we have had experience of their readiness to parade their virtues—

Mr. Fleming: If any.

Mr. Fulton: —and to extol the merits of their course and of their decisions, with the result that when this unexpected silence, this coyness, this shyness,—

An hon. Member: This unwonted modesty.

Mr. Fulton: Yes; when this unwonted modesty descends upon them we must ask ourselves whether it does not indicate that in fact they are rather ashamed of their policy. Indeed, they might well be ashamed, not only of their policy but of the procedure under which the decisions with respect to the export of arms are arrived at. Or perhaps there is another reason. At least, Mr. Speaker, this policy of silence, this self-denying ordinance under which they are now conducting themselves, has from their point of view the virtue that in silence lies safety, namely safety from contradiction. At least we are not hearing conflicting and contradictory statements from the ministers. We are now hearing no statements at all. I wonder whether a ministerial order has been issued. I wonder whether the Minister of Trade and Commerce has held another cabinet meeting and issued an order—having the effect of an order in council—that there shall be no more statements from his colleagues on this matter. That may be the case. It is a probable explanation. In that case I think we should ask the minister to let us know what is the policy of the government and whether or not that policy was arrived at with or without consultation with his colleagues.

However that may be, Mr. Speaker, I suggest in all seriousness that this is a proposal which demands from the government a statement as to their position. We are entitled to know whether they are satisfied with the procedure; whether the fiasco which has been unrolled and developed before our eyes as we have seen the complete lack of co-ordination with which this matter is dealt with, is to be repeated; whether the procedures within the cabinet and between ministers and departments, which have resulted in this fiasco of contradiction and uncertainty, is to be prolonged; or whether there is to be some change in that procedure. Without some such statement, Mr. Speaker, we shall be forced to conclude that in this matter, as in most others, the government regards itself as being above and beyond criticism and as responsible to no one, not even to parliament.

Under the terms of the motion moved by the hon. member for Winnipeg South Centre (Mr. Churchill), we are discussing a suggestion that the procedures governing the issuance of permits for the export of munitions of war should be referred to the standing committee on external affairs. The motion relates primarily to the procedures under which this matter is handled. But I think it might be said that there is in addition a need for a review of policy on this matter in the light of certain developments which have taken place within the last 48 hours.

I refer particularly to the statement issued by the United States government when they turned down an application for the export of $50 million worth of munitions to Israel. This fact is significant in itself, but I suggest that even more significant is the statement made on behalf of the United States administration that in their view the only way to prevent an outbreak of hostilities in areas such as that, and other sensitive areas, was not to export arms to either or both sides, but by a joint declaration, backed up by the necessary preparation, for the major powers to make it quite clear they will not permit the resort to force to settle this agreement.

The other factor which indicates there is an urgent need for a review of policy in this field is a statement made yesterday by the Prime Minister (Mr. St. Laurent) as recorded on page 880 of *Hansard*, when he answered a question asked earlier by the hon. member for Prince Albert (Mr. Diefenbaker).

My answer—

Referring to a previous answer.

—was that the embargo had not been lifted and that the matter was then under consideration. It has been considered, and the embargo is now to be lifted at once.

In the light of the oft-repeated statement made by this government, and with which

I think most if not all hon. members of the house fully agree, as to the essential importance of maintaining unity of purpose of policy between Canada and the United States, it seems to me that we are faced with an extraordinary situation, namely that the Prime Minister has stated on behalf of the government of Canada a policy which is at direct variance with, if not indeed in contradiction to, that of the United States government.

Mr. Cannon: On a point of order, Mr. Speaker, the hon. member for Kamloops is not speaking to the motion which is before the house. He is talking about a matter of policy which was decided by this house some time ago.

Mr. Fulton: I would point out to the hon. gentleman and to you, Mr. Speaker, that he had perhaps better consult his calendar because the statement of policy made by the United States government was made after the earlier debate had been concluded and the statement made by the Prime Minister yesterday was certainly made after the conclusion of the earlier debate.

Mr. Cannon: On a point of order, Mr. Speaker; I am not talking about a statement that was made—

Mr. Fulton: I am talking about it; that is the whole point.

Mr. Cannon: —I am saying that the hon. member—

The Acting Speaker (Mr. Applewhaite): Order. I think the first point of order we will decide is that there cannot be two members occupying the floor at the one time. As I understand it, the hon. member for Iles-de-la-Madeleine (Mr. Cannon) wants to refer to a point of order.

Mr. Cannon: If you wish to restate my point of order, Mr. Speaker,—

Mr. Fulton: It was wrong the first time and it will be wrong again.

Mr. Cannon: —it is the very point that you brought up yourself when one of the previous speakers had the floor. The amendment that is now before the house deals with a matter of procedure, and I have been listening carefully to the hon. member so I am certain he is talking about a matter of government policy which was decided some time ago by this house and which should not be discussed again at this time.

The Acting Speaker (Mr. Applewhaite): Does the hon. member wish to reply to the point of order?

[Mr. Fulton.]

Mr. Fulton: In my view it is not a point of order, and does not call for any reply. I was pointing out that events of the last few days have put a new light on this matter by virtue of which the government should, in addition to reviewing procedures by which the export of arms is dealt with, take a fresh look at its own position with respect to exports to sensitive areas generally.

The situation now is that the procedure presently in force can result in arms being shipped to both sides. We have that on the clear statement of the Secretary of State for External Affairs (Mr. Pearson). We must presume they will be shipped to both sides of a dispute in a sensitive area. I suggest to you, Mr. Speaker, that there can be no hon. member in this house who views with equanimity the continuation of a procedure which will permit that course of conduct. It is, I am confident, a procedure which is abhorrent to the people of Canada and contrary not only to the best interests of our country but to the preservation of peace.

However, we are in the position here that at the present time the only effective action this house can take is to call for a review of that procedure. Here, I might refer to what was said a moment ago by the hon. member for Dauphin (Mr. Zaplitny). We would hope the committee on external affairs would, when it has all the facts before it, and we do not have the facts before us at the present time, recommend a procedure by virtue of which the situation about which we are now complaining could not be continued. It is for that reason we have refrained from suggesting any specific procedure in our motion. Any suggestion that might be made at the present time would be extremely apt to be inapplicable because it would not be made in the full knowledge of the facts which are relevant and necessary before a comprehensive suggestion might be made. In addition, as I am sure the hon. member himself is aware, it is a well-established principle that when you appoint a committee to investigate and recommend, you do not seek to circumscribe it in advance by saying what it should recommend.

Turning then to the consideration by a committee of the procedures, it might be asked by some: why is this review necessary? There is one over-all paramount fact which emerges from this situation, and which makes it abundantly clear, even if there were no others, that such a review is urgently necessary, and that is that notwithstanding the bungling contradiction that we have seen unrolled before us with respect to the handling of this situation, we have not been able to push aside fully the cloak of secrecy with

which the government veils its procedure. There is still a disturbing determination on the part of the government to refuse to the house and to the country full knowledge of how it deals with these matters, and the policy and procedures on which it bases its decisions. I refer, sir, to the interchange which is reported on page 788 of *Hansard* when we were seeking to obtain information about just how this export permit had been issued and what was covered in it.

It is not necessary for me to rehearse again all the extraordinary convolutions followed by the government and the various ministers, as a result of which we emerge with an order in council that had been, I think the word is denigrated into a ministerial order, and then indeed it was not even a ministerial order. There was apparently no formal order. It was merely minutes, nebulous minutes, signed we were told by some ministers and circulated by them one to the other. And so we asked to get the full information as to what the situation was and we asked for the production to the house of the documents which showed what decision had been made and upon what basis that decision had been reached. We were told by the Prime Minister (Mr. St. Laurent) that we could not have those papers, they were secret. We were told that the whole procedure back of this thing is to be kept secret. Then we asked for the production of the export permits. There was at least that one document the existence of which could not be denied. When we asked for its production the Prime Minister said, as recorded at page 788 of *Hansard:*

> All export permits are treated as confidential documents for commercial reasons. They contain information with respect to commodities, prices of commodities, the sources of supply, the firm dealing in those commodities, and for that reason these documents have always been treated as being confidential for the proper protection of those who are engaged in competitive business.

Therefore, for the protection of those who are engaged in competitive business, this house is to be denied information as to how decisions regarding the export of munitions of war are arrived at on the ground that the export of munitions or other commodities which will enable a country to wage an aggressive war is competitive business.

An hon. Member: Oh no.

Mr. Dickey: You know perfectly well that is not right.

Mr. Pearson: It is absolute nonsense.

Mr. Fulton: The Secretary of State for External Affairs says absolute nonsense. Well, here we have another cabinet minister describing the statement of the Prime Minister as nonsense.

Mr. Pearson: Your comment is nonsense.

Mr. Dickey: Very funny.

Mr. Fulton: You have convinced me of what remains of the principle of cabinet solidarity.

Mr. Rowe: There is none left now.

Mr. Fulton: The information regarding export permits covering the export of military aircraft was denied us on the basis that all these documents were secret and were kept that way for the proper protection of those engaged in competitive business. And yesterday, when we asked by a formal motion for the production of these papers, production of them was denied on the same basis; not that there was any military security involved from Canada's point of view, but that the principle of secrecy enunciated by the Prime Minister as reported at page 788 of *Hansard* must be maintained.

I would ask the government to explain what moral standard we have arrived at when shipments of materiel from Canada by commercial enterprises which will increase the military potential of countries in sensitive areas is described as competitive business.

Are we in this country encouraging, in fact permitting, either the government or private agencies to ship munitions of war as a competitive business? Have we so far forsaken the standards on the basis of which we previously recorded this question as to say it is purely a commercial consideration? Is this House of Commons to be denied information as to what is being shipped because that would reveal commercial secrets? I suggest to you, Mr. Speaker, that this is an atrocious basis on which either to conduct this business or to deny this house information as to the way in which this business is being conducted. We have purveyors of instruments of war and we are not to know what they are doing because it might reveal their commercial secrets. One cannot but remember that the Secretary of State for External Affairs has been praised in the past as one who would devote every effort to the preservation of peace. I suggest that in this situation which has been unfolded to us the hitherto unsullied reputation of the Secretary of State for External Affairs has suffered a damaging blow.

"Competitive business"—that is a new description for the shipment of arms sent from Canada to sensitive areas. However, that is the basis upon which we are denied information. That is the basis upon which secrecy is maintained. We are left, therefore, with nothing more to rely upon as the basis of our knowledge of the situation than

ministerial statements. Well the ministerial statements that have been made in this house to date in relation to this matter are not very encouraging as a basis upon which to think that we can actually understand what is the policy and the procedure.

I have already referred, as other hon. members have done, to the example of the order in council which was not an order in council but which was a ministerial order but which was not a ministerial order but which was merely an exchange of minutes. These ministerial statements upon which we are compelled to rely for our information because we are told we cannot get the documents prove conclusively that the ministerial statements coming from these ministers are so unreliable that they cannot be treated with any seriousness. These are statements upon matters on which the ministers are or should be—in fact, must be—taken to be informed. These statements are made with a great degree of carelessness; carelessness as to their accuracy, carelessness as to their effect and carelessness as to their importance. Such is the carelessness with which they are given that they could not be more misleading were they deliberately intended to be misleading.

I wish to refer to a statement made on February 3 in this house by the same minister who is in charge of the whole procedure of issuing export permits. This statement is to be found at page 833 of *Hansard* for that date. The Minister of Trade and Commerce (Mr. Howe) was questioned as to the closing down of the heavy water plant at Trail, British Columbia. He was asked what implications that held for Canada and as reported at page 833 of *Hansard* he said:

> The government of Canada has never had any interest in the plant nor has it obtained any material from that plant.

He was then asked by the hon. member for Vancouver-Quadra (Mr. Green) whether the closing of the plant would affect the operations of our atomic energy installation at Chalk River and the minister replied:

> I am surprised that the hon. member has been told that the heavy water at Chalk River came from Trail because it is not to my knowledge that that is the case. We purchase our heavy water from the atomic energy commission of the United States and it is my understanding that it comes from quite a different source.

That is what we were told by the Minister of Trade and Commerce in two replies to questions. This is the minister entirely responsible for the whole field of atomic energy research and development in Canada, the minister who alone knows the facts and is in possession of all the facts and upon whose statements this house is entitled to rely.

[Mr. Fulton.]

I should like now, Mr. Speaker, to refer you to some press reports concerning statements made by this minister upon whose statements we are expected to rely, who is the only source of information we are to have with respect to the procedures now in question. I think the statement I am about to read will disagree with that statement made by him with respect to the heavy water situation, a statement made so carelessly as to its accuracy, its content and its effect, as to be as misleading as it could have been had it been deliberately calculated to meet with that object.

I shall now read from a Canadian press dispatch originating in Ottawa on May 19, 1954, as reported in the Montreal *Daily Star* of that date. It reads:

> Scientists at the Chalk River atomic energy project say Canada may be the first country in the world to build an economical atomic power plant.

And later:

> Since Canada entered the atomic energy field her experience has been with experimental reactors partially controlled or moderated with heavy water produced at the Trail, B.C., smelter plant.

Another article appeared in February, 1954.

The Acting Speaker (Mr. Applewhaite): I am sorry, as I do not like having to interrupt an hon. gentleman, but I think hon. members will surely agree with me that a motion as to whether or not the procedure to be adopted for the export of arms should be referred to a committee is not one in connection with which we should arrive at the correctness or otherwise of statements made by a minister as to the closing down of the heavy water plant at Trail. I have no hesitation in saying that it is not in order and I would ask the hon. member to come back to the amendment before the house.

Mr. Fulton: Mr. Speaker, with the greatest respect may I say that I think you have failed to appreciate the point. I am discussing the reason why it is desirable that the question of procedures should be referred to a committee.

The Acting Speaker (Mr. Applewhaite): I followed the hon. gentleman very closely. He was endeavouring to prove by this incident that some statement which he received from the ministerial side of the house could not be relied on. I think he is entitled to make that statement, but I do not think he can go into the merits of such a statement. Otherwise we could spend the next 40 minutes debating the accuracy or otherwise of any statement by any minister on the government side of the house. I am going to request the hon. member to come back to the question of the export of arms and the reference of the procedures thereon to a committee.

Mr. Fulton: Mr. Speaker, I shall of course bow to your ruling, as I always do, but may I be permitted to observe that I was not attempting to establish the inaccuracy of the statement or to attack its merits; it has been proved beyond any doubt to be inaccurate. What I was trying to do was to show how inaccurate a statement which is definitely and deliberately—

Some hon. Members: Order.

Mr. Fulton: —made can be, that we can no longer place any reliance upon any statement made by ministers opposite with respect to matters within their knowledge, matters of which they should have knowledge—

Mr. Martin: I rise on a point of order.

The Acting Speaker (Mr. Applewhaite): The Minister of National Health and Welfare.

Mr. Martin: The hon. gentleman has just said that we can no longer rely or place any reliance on the observations of certain ministers of the crown. I submit to you with confidence that that is a wholly improper remark to make and that the hon. gentleman ought to be asked forthwith to withdraw what he said by way of implication and direction.

Mr. Drew: Mr. Speaker, I would point out that if in the hon. member's opinion it was an improper remark it was prompted by the wholly improper conduct of ministers.

Some hon. Members: Withdraw.

The Acting Speaker (Mr. Applewhaite): Does the hon. member for Kamloops wish to say anything with regard to the point raised by the Minister of National Health and Welfare?

Mr. Fulton: I think I should say that in any expression I have used there is nothing unparliamentary. I have stated a fact; I have supported the conclusions at which I arrived. I have stated it as a fact in language which is well within the rules of parliamentary debate. I submit to Your Honour that there is nothing to withdraw.

The Acting Speaker (Mr. Applewhaite): I have been following the hon. member for Kamloops very closely. In my opinion he did make the statement to which the Minister of National Health and Welfare referred, but I do not think he implied at any time that there was any deliberate misinterpretation or deliberate misrepresentation by anyone on the part of the cabinet. I would be glad to have his confirmation of that.

Mr. Fulton: Yes, Mr. Speaker.

Mr. Martin: May I speak to this point. Referring to certain ministers the hon. member said that we could not place any reliance on what they said. I submit with confidence that that is saying that the minister in question is not capable of giving expression to something that can be characterized as truthful. I submit to you with great certainty that that is an improper remark for any hon. member to make about another hon. member of this house.

Mr. Fulton: As the Leader of the Opposition has stated already, my observation was prompted by the wholly improper and irresponsible attitude of ministers opposite when they make statements upon which this house must rely as to its knowledge of the facts with respect to which those ministers are making statements.

The Acting Speaker (Mr. Applewhaite): I think before we go any further it is going to be my duty to dispose of this incident, to the dissatisfaction of both sides. If I followed correctly the remarks of the hon. member for Kamloops, he was entitled to point out that there are what he termed various forms of weakness in the cabinet and that incorrect replies were being given. As I understand it, he did not accuse any cabinet minister of improper motives or of any deliberate misconstruction of facts. It is his privilege to make accusations of incompetence if he chooses and it is not within the duties of my position to decide on the correctness or otherwise of those accusations.

The hon. member for Kamloops has stated explicitly that he did not charge the cabinet with any deliberate misinformation. I think on the basis of that I am entitled to come to the conclusion that he has said nothing further than he is entitled to say as a member when referring in the heat of debate to the party sitting opposite him.

I would like to revert to the other point and request the hon. member to come back to the motion we are discussing which is, and I repeat, one to refer certain procedures to a committee of this house.

Mr. Fulton: Mr. Speaker, with respect to the subject which you have pointed out is before the house, I submit that the only way in which we will get information on this matter and a satisfactory understanding of how these procedures work, if they work, is by reference of the matter to a committee, and the logical committee is the standing committee on external affairs. In that committee we could consider the matter with the right to call witnesses and call for records and documents which are so important in enabling one to arrive at the facts of a matter.

Unless such a procedure is adopted this house is going to be left to continue in its present unsatisfactory state where secrecy is maintained, where information, the accuracy of which we have no means of judging, is placed before us, and where the veil of secrecy is used by the government to deny the production of documents called for by two motions. Supported by their members present in the house, and on the basis that the information asked for was secret because it related to competitive business, the motions were defeated.

I think I have said enough to indicate that with a matter of such vital concern to the welfare of this country, to world peace and to the moral regard in which Canada is to be held by ourselves as well as the rest of the world, we cannot allow that situation to continue.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, the amendment moved by the hon. member for Winnipeg South Centre (Mr. Churchill) calls for two things. First, that a committee investigate the shipment of arms which has taken place and, second, that the committee recommend a code to govern such shipments and procedures in connection with them in the future. I submit that those two proposals are eminently reasonable.

Surely parliament is entitled to know exactly what has been done in this matter up to date and what will be done in the future, particularly the policy and the procedures that will be followed from now on as far as the shipment of arms is concerned. Certainly we do not know at the moment either of these things. The whole matter has been a picture of confusion ever since the beginning of this session of parliament. We had a series of statements by ministers, each one amending or correcting what the previous statement had said. It was quite evident that the ministers directly concerned with this matter, the Secretary of State for External Affairs, the Minister of Trade and Commerce and the Minister of National Defence, just did not know what happened. Apparently they did not know what policy, if any, was being followed, and, particularly, the way in which it can be carried out. Thus it is quite apparent that the cabinet as a whole was just not in the picture as far as arms shipments are concerned.

When we come to parliament and the Canadian people, nothing was known of these arms shipments. It came as a shock to me, and I think to most of us here and also, I am sure, to most Canadians, to learn that we have been shipping arms to the Middle East, the very area where there is and has been for some months past the greatest fear of a war breaking out. It was a further surprise to all of us to find we had been shipping arms for several years past to Central and South America. I do not think that many Canadians relish at all the idea of Canada being in the arms business. I am sure all of our citizens want to be assured that, to the extent that we are in this arms business, the strictest supervision and control is exercised in the sending of arms abroad.

As a result, I am quite sure that a committee such as that proposed and a definite code coming out of that committee, to govern all arms shipments, would be generally welcomed throughout Canada.

The Prime Minister's statement yesterday that the embargo on the shipment of arms has been lifted returns the situation to the same unsatisfactory state it was in before the question was raised. I would just like to read part of the Prime Minister's statement and comment upon it. He said, as indicated on page 880 of *Hansard*:

> . . . the embargo is now to be lifted at once. The government intends to continue the policy which has been in force of considering each application for military equipment on its merits and ensuring that if permission is granted it shall, in the future as in the past, be for military equipment of a type and quantity which could not provoke an arms race or provide an incentive to aggression.

How can the Prime Minister or any of the other ministers, or the cabinet as a whole, determine what type and what quantity of munitions is going to provoke an arms race or is going to be an incentive to aggression? I do not think it is possible. As has been pointed out previously, many conflagrations start from very small sparks. The first great war started from the murder of an Austrian archduke, and I am quite sure that when that murder took place very few people thought it would develop into a world war. Similarly it is not possible, in my opinion, for the Prime Minister or anyone else to say that a batch of arms or a group of ammunition is not going to be an incentive to aggression and is not going to provoke an arms race.

It brings up what some people seem to consider a distinction between defensive and offensive arms. Personally, I do not think there is any distinction. I have heard some people arguing that some or most of the arms we sent abroad were defensive arms and not of an offensive nature. Arms of any sort are offensive in the general sense of the term and in the sense of the term that they can be used to mount an attack, that is, the strictly military use of the term "offensive". I seems to me that, no matter what sort of arms you export, you are putting into

the hands of the people who get those arms the capability of mounting an attack, of starting an aggression. You cannot distinguish as between types of arms. In that regard, I suppose many people might consider anti-aircraft guns as purely defensive arms. However, during the last war—particularly during the last year of that war—the heavy ack-ack guns of our army fired a greater number of rounds in the ground role, and certainly not in a defensive role, than they fired at aircraft. They were extremely good medium guns when used in ground actions. Therefore you cannot class any of these weapons as purely defensive arms. They are all offensive; and they can all start trouble.

There is another facet of this matter which makes the reference of it to a committee very desirable. What I refer to is that it involves the cost to the Canadian taxpayer of the arms and ammunition which have been shipped abroad. I do not refer here to the arms shipped to other members of the commonwealth and to members of NATO. We have shipped large numbers of arms to the NATO countries as part of our commitment to that organization. Whether we should have shipped some of those arms or whether it would have been better to have kept them at home is a matter of defence policy, but those are not the arms I refer to. However, it is a very pertinent matter for this parliament to know to what extent arms shipped to countries other than the commonwealth and NATO countries have been subsidized out of public funds.

The hon. member for Winnipeg South Centre (Mr. Churchill) yesterday outlined how upwards of a million dollars' worth of guns, rifles and ammunition have been shipped to Central and South America during the past eight years. The question immediately comes to mind: Was this material manufactured by private firms on a commercial basis, such as the commercial transactions about which we have heard, or was it government stocks which had been disposed of as surplus to requirements? If it was the latter, as I suspect very strongly it was, what did it cost the Canadian taxpayer, to begin with, and how much did we receive for it when it was disposed of to these other countries? Particularly, was it sold at bargain prices at the expense of the Canadian public treasury?

When we examine the list of war materials sold to the Middle East, we find $771,000-odd was received for 15 Harvard aircraft sent or about to be sent to Egypt. That works out at approximately $51,000 each. That seems like a fairly good price perhaps, but the point comes up here that these planes were, as I understand it, assembled from spare parts by a commercial concern, but these spare parts presumably came from government stocks.

Mr. Howe (Port Arthur): Mr. Speaker, I think we should at least be accurate. It has been made very clear two or three times that nothing about those planes came from government stocks. The Canadian Car and Foundry Company happened to be the sole supplier in the world of Harvard aircraft, and the transaction was purely a private transaction.

Mr. Harkness: It had never been clear before, so far as I know—

An hon. Member: Maybe you were away.

Mr. Harkness: —that none of these came from government stocks. I am very glad the minister has now shed that further illumination on the question.

Mr. Howe (Port Arthur): Everyone knew it but yourself. Why not talk about something you know about?

Mr. Harkness: Mr. Speaker, he says we are talking about something we do not know anything about. That is the whole trouble with this matter.

Some hon. Members: Hear, hear.

Mr. Dickey: That is true of anything you speak about in the house.

Mr. Harkness: We have brought up this matter in order to get information. We are asking for a committee to get information we should have.

Mr. Garson: Meanwhile you talk a lot about it.

Mr. Harkness: When the minister says we do not know anything about it the members of his party clap loudly. I say we do not know as much about it as we and they should know about it as members of parliament.

Mr. Dickey: All you are doing is giving misinformation.

Mr. Rowe: How would you know back there when they cannot agree up here?

Mr. Harkness: I must say the debate does from time to time produce a little more information. We learn a little more as it goes on, just as we learned another fact from the minister a moment or two ago which we did not know before.

Mr. Dickey: You have been told three or four times.

Mr. Harkness: Undoubtedly in any of these debates as time goes on, as the minister gets a little irritable or something else of that

sort happens, he does give us a little information, a tidbit, a crumb or two which we could not have had otherwise.

Mr. Dickey: A crumb for the crumbs.

Mr. Harkness: Mr. Speaker, when we come to the list of arms sent to Israel we find that it is somewhat more extensive. There are 75 millimetre shells, quite evidently for Sherman tank guns. There is anti-tank equipment. We do not know what it is. If it is 17-pounder anti-tank equipment it is a quite large and expensive type of gun. There are tracks and spare parts for Sherman tanks. There are 25-pounder guns and accessories. There are 3·7 anti-aircraft guns, accessories, spare parts and ammunition. That is a heavy anti-aircraft gun.

I think there is no doubt that all these were government owned. I do not think the minister will interrupt at this moment and say that they had nothing to do with the government. They were all government owned pieces of equipment, and they were sold for a total of $2,067,685. The Secretary of State for External Affairs (Mr. Pearson) said he could not make the quantities public because the Israeli government considered this would imperil its security. However, surely parliament is entitled to know the price at which each one of these individual items was sold. What was the price for a 3·7 gun? What was the price for a 25-pounder gun? What was the price for a 75 millimetre shell? Surely we are entitled to that information. We could then compare those prices with the cost to the Canadian taxpayer.

I think one of the most pertinent things that the house and the people of Canada are entitled to know is how much all these items of military equipment cost us and how much they were sold for. In other words, to what extent are Canadian taxpayers subsidizing the export of these arms to other countries and as a result possibly doing their bit to start another conflagration?

One thing I do know, Mr. Speaker, is that a 3·7 inch heavy anti-aircraft gun is a very expensive piece of equipment. My understanding during the war was that these guns, together with the necessary fire control aiming equipment, cost several hundred thousand dollars each. They are a big and expensive gun. Under these circumstances that would mean it would only take 5, 6 or 7 of them to make up the total amount of money that we received for all this equipment.

The 25-pounder gun is also quite an expensive piece of equipment. I think we are entitled to get information as to the prices at which each of these pieces of equipment was sold. It would not imperil the security of the Israeli government or anybody else's security. It is a financial fact that the house should know. From looking at the list and knowing only a little about what the cost of some of these items was during the war, I strongly suspect that all this equipment has been sold at a fraction of its cost to the taxpayers of this country.

It is all very well for one of the ministers to get up now or at a subsequent time and say that the 3·7 heavy ack-ack gun is obsolescent. It may be obsolescent but we have nothing to replace it. Every time we ship a 3·7 ack-ack gun out of this country we leave a blank in our defences and so far we have nothing with which to fill it. Although it may be obsolescent it can still have quite a deterrent effect. It seems to me that the whole policy of shipping guns out of the country without having something with which to replace them is a matter which should come under review and needs such a review in very quick order.

The same thing applies to the 25-pounder gun. There are many gunners who would say that these guns are equal, if not superior, to the United States 105 millimetre which is replacing them at the present time at very great cost. In any event, we have shipped a large number of 25-pounder guns chiefly to our NATO allies, and to my knowledge we have not received any guns to replace them. The result is that another blank has been left as far as our artillery situation is concerned. That is a further matter which should be investigated. I think it certainly requires investigation.

The general position is that we are getting rid of equipment which cost us very large sums of money at very low prices and without getting anything to replace it. As a result we are leaving ourselves short. As has been suggested by others in this debate, Mr. Speaker, I hope that the government will accept the suggestion put forward in the amendment and refer the whole matter to the external affairs committee or some other committee for investigation and report.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I feel I ought to say a few words in this discussion although the hon. gentlemen opposite have not left very much time for a reply to some of their more extravagantly inaccurate statements.

Mr. Drew: You could have got up at any time.

Mr. Pearson: I could have got up at any time earlier in the afternoon except that during that time I was in conference with the Prime Minister of the United Kingdom and the Secretary of State for Foreign Affairs of

the United Kingdom, and I think that on the whole that was more important to the discharge of my responsibilities than listening to the hon. gentlemen opposite.

Mr. Drew: Is this a one-man government now?

Mr. Rowe: You could have got up yesterday.

Mr. Pearson: Mr. Speaker, there is a newspaper published in Toronto which customarily supports the official opposition and sometimes vigorously condemns the government. Naturally, therefore, I do not always agree with its editorial comment, but it did have an editorial this morning with which I agree. It said that the activities of the opposition in this particular matter were becoming faintly ludicrous. Well, at least that editorial was half correct. Personally I would have dropped the word "faintly".

An hon. Member: Have you read the editorial in the *Star* tonight?

Mr. Pearson: I have been reading *Hansard* today, and last night the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) said that he would do his best to resist the temptation to engage in hyperbole or exaggeration. That, of course, is what the opposition have been doing all afternoon. I thought that the extreme of exaggeration and hyperbole in this debate was reached by the hon. member who has just sat down who said—and I think I took down his words correctly—that we should not be in the arms business at all in this country. I do not know what he meant by that.

Mr. Harkness: I said the arms shipment business.

Mr. Pearson: "Arms business" is what the hon. gentleman said. I took down his words. That means, of course, that we should not be able to help our friends and allies in any way in their defence.

Mr. Drew: Nonsense.

Mr. Pearson: Last night some reference was made to our obligations under the United Nations charter and it was said that we should act as good members of the United Nations in this and other matters. It is an obligation under the United Nations charter to be prepared to defend yourself and to help your friends to defend themselves against aggression. That statement by the hon. member for Calgary North (Mr. Harkness) goes even further than the policy which was enunciated by the opposition previously, namely that we should not send arms of any kind to any part of the world except the commonwealth, North Atlantic Treaty Organization countries—

Mr. Rowe: Nobody said that.

Mr. Harkness: I rise on a question of privilege, Mr. Speaker. I am sure that the Secretary of State for External Affairs (Mr. Pearson) does not want to twist what I have said today and what he knows I have said on many previous occasions. I think he will admit that I said we should send arms to the members of the commonwealth and to NATO. If I did not put in the word "shipment", that was purely an error on my part. I do not think that the minister would like to twist completely what my position has been all my life in regard to these matters.

Mr. Pearson: No, Mr. Speaker; I do not want to twist the hon. gentleman's words. I took down what he said; and as I took them down, that is what he said. If he says that the words "arms business" should have been "arms shipment", I accept his statement that that was a slip on his part. I am quite ready to admit that there is a great difference between "arms business" and "arms shipment".

This policy that was enunciated this afternoon I think goes even further than that which was enunciated by my hon. friends opposite the other night which would have —and would still do so if it were put into effect—prevented us from helping any of our friends unless we had a definite military alliance. I refer the hon. gentleman to *Hansard* if he does not think that is an accurate statement of what he said.

We have been vigorously attacked by the opposition for our concealment with regard to details of arms shipments, especially by the hon. gentleman who has moved the amendment. May I say that we have given more facts in parliament in regard to arms shipments—as I said the other day—than is customary in any government in London or Washington. But when there were certain details which we did not think it appropriate to give because they concerned our relations with other countries,—and I myself believe that that is a legitimate position to take—we did say that we had all these details which we should be glad to show in confidence to any hon. member opposite. Has one of the hon. gentlemen who have taken part in this debate come to me and asked me for that information? Not one.

Mr. Drew: Why should we take it on those terms?

Mr. Pearson: In the words of the old Methodist hymn, "No, not one".

Mr. Rowe: Why have parliament at all?

Mr. Pearson: The hon. member for Winnipeg South Centre (Mr. Churchill), in his contribution yesterday afternoon, when he

was asking for this information especially in regard to sensitive areas, said that if it is not proper to give that information here, we could have a meeting of the committee on external affairs in camera. If he is willing to receive that information in camera in the committee on external affairs, why would he not receive it in person in camera and get the same information much more quickly? He has not approached us as yet in that regard.

Mr. Rowe: Why have parliament at all?

An hon. Member: Oh, be sensible.

Mr. Pearson: Quite a case has been built up, Mr. Speaker, on the basis of rather flimsy evidence indeed. My friend the hon. member for Winnipeg South Centre got quite excited over the confusion and deceit, as he would call it, with regard to the replies made by the Minister of Trade and Commerce (Mr. Howe) about scrap metal. When is scrap metal mutilated and when is it not mutilated? It was explained to the house by the Minister of Trade and Commerce that guns are mutilated beyond repair before they are allowed to leave this country.

Mr. Churchill: I mentioned breech blocks.

Mr. Pearson: The hon. gentleman said: "Yes, it might apply to breech blocks but what I am interested in is gun barrels", whereas the minister's reply—as he will see if he will read it again—referred to guns themselves, not to any particular parts. It seems ridiculous, Mr. Speaker, to build up a case to such a high moral and emotional level on evidence of that kind.

The hon. gentleman also made great play with the fact that I and others on this side of the house did not realize that conventional weapons are modern and dangerous. Of course we realize that a conventional weapon can be both modern and dangerous. As I have often said—and it is an obvious truism—you can be killed by an old-fashioned bullet as well as by a new-fashioned atomic bomb. But that is not the point, Mr. Speaker. Hon. gentlemen opposite are criticizing us because we are adding to tension, are producing incentives to aggression, are causing trouble, are losing our reputation in the world, and are being toppled from our moral position. As was said by the hon. member for Kamloops (Mr. Fulton) this afternoon—if I may be pardoned a personal reference—my own reputation as a peacemaker has now been sullied because we have sent to friendly countries, under control, some old surplus conventional weapons, small in quantity and really not very important in quality. And in doing so we have followed exactly the same policy as that followed by all the free governments with which we are associated and allied.

Mr. Drew: Would the minister permit a question?

Mr. Pearson: Surely.

Mr. Drew: Is the minister not aware of the fact that the exports of arms and equipment in 1954 amounted to $81 million, no small amount?

Mr. Pearson: That is another figure, Mr. Speaker, that has been tossed into this debate.

Mr. Drew: That is the figure given by the government.

Mr. Pearson: The hon. member for Winnipeg South Centre, who is the sponsor of this amendment, said this, as reported at page 887 of *Hansard*:

> What in the world has happened to the millions of rounds of ammunition sent down to Central America, the Caribbean and South America? . . . Then what is going to be the outcome of this reckless disregard, as it appears to me, in handling that type of equipment?

He even went so far as to suggest that we were responsible for the revolution in Guatemala. In a few moments I shall come to the details of the shipment to Guatemala which produced the communist revolution. He also suggested that we might have had something to do with the overthrow of the government in Cuba in the few thousand dollars' worth of ammunition that went to that country; and $800,000 worth of ammunition and equipment, as he called it, that has gone to the Latin American countries in the last eight years. That was the type of thing that he put on the record. I should like later to examine in some detail one particular shipment to which he referred.

He referred first to my statement, recorded at page 557 of *Hansard*, that no permits were issued in 1954 or 1955 for the export of:

> . . . guns, ammunition, or military weapons of any kind, or for military aircraft or military vehicles to South America.

He suggested that by a careful midnight examination of his own he had found that I had incorrectly represented the situation, and thereby must have misled the house. My original statement, Mr. Speaker—and it has been checked—is perfectly correct. No such permits were issued. Earlier in the session—and I commend this to the hon. gentleman who might refresh his memory by reading some of these back statements—I referred to the list issued in accordance with the provisions of the Export and Import Permits Act, items subject to export control. That was the heading under which I gave my figures. The

hon. gentleman has shown a great deal of industry in examining the export statistics by the dominion bureau of statistics, whereas if he had come to me I would have given him the original material on which I based my answer to the house, in all of its detail, and he could have checked it against any public or private source. I should have thought that he would have considered it worth while in the course of his research to look at the control list; arms solely for sporting purposes—and this is in the control list—firing ammunition not usable in firearms designed or intended for war are clearly exempted. He could have found that out. Perhaps he did find it out and it escaped his memory before he made this statement. The various shipments to Latin American countries to which the hon. member referred, and by doing so gave the impression to the house that they had been omitted by me in my statement to the house, fell in this category. They consisted of 22 calibre rifles, shot guns, revolvers and ammunition for them.

Let me remind the house, Mr. Speaker, that such sporting weapons and ammunition for them are freely available for private purchase in shops throughout Canada. The total annual trade in such ammunition for such weapons within Canada alone is of the order of $10 million a year. A single Canadian firm does an annual business in such ammunition within Canada of some $5,800,000 a year. That, Mr. Speaker, is the perspective within which we should look at the figure of $64,000 of such items shipped within a two-year period to four different countries in South America, and over which the opposition has become so very indignant; over which they have condemned the moral standards of the government, and as the hon. member for Kamloops (Mr. Fulton) has just said, have provided the incentive to aggression.

The hon. member, throughout his remarks, returned several times, and I have mentioned this earlier, to the suggestion that the government was concealing information on this matter. I should like to remind him now, and others who have spoken on this matter, that the exemption of sporting weapons from export permits requirements appears in regulations published almost two years ago, regulations which in fact were brought to the attention of the house two weeks ago. Furthermore, the shipments of such items that have been made appear regularly in separate figures issued by the bureau of statistics. No doubt that is where my hon. friend got this hair-raising information.

The hon. member has, in fact, himself demonstrated that this information is readily available. It is public now. My only comment on his activities is that in his haste to put these supposedly damaging figures before the house he appears to have overlooked one additional item for $155 for Venezuela in 1955.

Well, Mr. Speaker, so much for that information and so much for the deductions which have been drawn from it that we have been responsible for all sorts of dire happenings in the central and south American area, especially in Guatemala, where there was of course a little difficulty a few years ago. The hon. member referred to that.

Mr. Churchill: Under a communist controlled government.

Mr. Pearson: The shipments to which he referred, to Guatemala, were in this same category, ammunition suitable only for small arms designed solely for sporting purposes. They consisted mainly of 22-calibre ammunition but some shotgun ammunition and revolver ammunition was also included. No guns of any kind were involved. These items, Mr. Speaker, were consigned by the firm in question to a Guatemalan sporting club. There is no reason to suppose that they were used for anything else than target shooting at clay pigeons. The amounts involved were small by any standards or else we might have had some reason to get suspicious of them if they were very large in amount, because you can do damage in any country even with ammunition designed to shoot clay pigeons. But in relation to the quantities of ammunition shipped, it is ridiculous to suggest that these shipments could have contributed to maintaining in power the communist infiltrated government which was replaced in July, I think, of the following year.

It is that kind of argument, Mr. Speaker, and the deductions that have been drawn from it which leads some of us on this side to wonder about the motives of the opposition in raising this matter in the way they have raised it, at a time when we are discussing with our friends in Washington, our friends in London and our friends in Paris, how best we may work together in contributing to peace, not only in the areas of the Middle East but in the other areas of the world. Only in the last few days in these discussions we have been going over the question of arms shipments to sensitive areas, especially to the Middle East. It may not have escaped the notice of hon. members that the Secretary of State of the United States this morning has reaffirmed, after the discussions which took place in Washington between representatives of the United Kingdom and the United States, that he on behalf of his government

was going to maintain the present policy and principles in the declaration of 1950. He did not intend to depart from that policy because, as was indicated, a departure from that policy would have had most unfortunate consequences in the Middle East in respect of one country at least which is not in a position to get help from behind the iron curtain that certain other countries in that area are now getting. The United Kingdom, Mr. Speaker, intends to maintain that policy, too. We, in this government, intend to maintain the same policy, and work it out in co-operation with our friends and under controls at home.

The hon. member for Winnipeg South Centre (Mr. Churchill) who moved the amendment said that some of this ammunition might eventually get into the hands of the Mau Mau. I suggest that so far this ammunition has only gotten into the hands of hon. gentlemen opposite, where it is being used not with an effect that I would describe as lethal but rather as a soporific. I believe, of course, that arms policy and arms shipments are perfectly legitimate subjects to discuss. But so far, we have heard a great deal more about arms procedure than we have heard about arms policy from hon. gentlemen opposite. I must say, however, that they have, in some of the statements made from the opposition side, made their position pretty clear in regard to their refusal to send any arms except to the commonwealth countries and the NATO countries with which we have a definite military alliance.

We will continue to follow the policy that has been outlined previously, and to follow it in a way which will not be conducive to aggression or conflict but which might help, by the way it is controlled, to preserve peace by removing the temptation to an aggressor to attack an unarmed country opposite or close by. There is no greater temptation to aggression than the certainty of an easy victory. A policy, if it were adopted by all free countries, of refusing to send any arms to any country except under the conditions which have been outlined by hon. members opposite, would leave some countries weak and defenceless, and other countries which did not have any scruples about receiving arms from behind the iron curtain in a position to attack those countries. If we had followed ths policy, we might very soon have cause to regret it.

My final word, Mr. Speaker, is that the committee on external affairs will be set up very shortly. As is customary, I expect to appear before that committee. I will be very happy, as usual, to subject myself to cross-examination as complete as hon. members opposite would like to make it in respect of any sphere of my activities, arms policy or anything else.

Mr. Drew: May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I want to deal with certain statements that were made this afternoon. Hon. members know what transpired here but people outside may not see *Hansard* or if they do see *Hansard* they will not, of course, know the circumstances in which the details were put on the record. For that reason I wish to clarify one point.

The Secretary of State for External Affairs (Mr. Pearson) tried to create the impression that he had been deprived of some opportunity to enter this debate. His words were: "Mr. Speaker, I feel I ought to say a few words in this discussion although the hon. gentlemen opposite have not left very much time for a reply to some of their more extravagantly inaccurate statements."

It was pointed out to him by me that he had plenty of opportunity and then these were his words: "I was in conference with the Prime Minister and the Secretary of State for Foreign Affairs of the United Kingdom and I think on the whole that was more important to the discharge of my responsibilities than listening to the hon. gentlemen opposite—".

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Drew: Yes, Mr. Speaker, I hear the applause from the opposite side as I read these words. That is the attitude taken by hon. members opposite while we are talking about selling the tools of death without any restraint whatever—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Drew: We are talking about a serious effort, to refer the subject to a committee to get the facts which have been denied to us since we met here and tried to discuss this subject. That observation of the Secretary of State for External Affairs was in keeping with other observations he has made. He had been sitting here in this house for well over an hour at the time he rose, and speaker after speaker had risen. He had waited for this moment so that he could get in and take the closing period until six o'clock; that is

why he waited and for no other reason. As a matter of fact, the Prime Minister of the United Kingdom and the foreign secretary of the United Kingdom left here at twenty minutes to five.

We listened to contemptuous remarks in regard to this important subject. He made light of the shipments to South America mentioned by the hon. member for Winnipeg South Centre (Mr. Churchill). He claimed they were sporting weapons. Perhaps he might explain some of the details about sporting weapons.

I have in my hand a magazine known as *Field and Stream*, which claims to be the outstanding sporting magazine on the North American continent and is published in New York. This will perhaps indicate to some of the hon. members that the minister was out of touch with the situation when he talked about sporting weapons. In this magazine there is an advertisement under the heading, "Everything for the sportsman." This is interesting because this is a New York publication. It is the advertisement of a firm in Montreal which reads as follows:

> Famous Service Rifles—Revolvers:—30-06, ·303 Enfield Rifles. Colt, Smith and Wesson and British Webley Revolvers. Lowest Prices. Shipped duty free. International Firearms, 1011 Bleury, Montreal, Quebec.

This advertisement appears in the February, 1956, edition of *Field and Stream*. Is this the kind of sporting weapon the minister is referring to? I do not think he knows; in fact, he has shown a complete lack of knowledge of the facts since he entered this discussion in its earliest stages. Of course, most hon. members in this house know that sporting weapons can be pretty deadly; ·303 Enfield rifles, Colt, Smith and Wesson and British Webley revolvers are not ordinarily regarded as sporting equipment but they are offered duty free under the benign arrangements made by this government.

This is the kind of subject we want to have come before a committee. We want to find out exactly what is being done. We want to find out why a private organization can sell famous service rifles and revolvers as sporting equipment and why they can promise to sell them duty free and at the lowest prices. Obviously they are in competition with the government. Perhaps they bought it for scrap, as has already been explained. That is the kind of thing that does require an explanation.

Let us now examine the words of the Secretary of State for External Affairs in discussing this subject. He pooh-poohed the suggestion that there was any importance to this; he indicated they were just unimportant little shipments,—these ·303 Enfield rifles, Colt, Smith and Wesson and British Webley revolvers—some old surplus international weapons small in quantity and poor in quality.

If that is so, why is he so concerned about not shipping them? If they are unimportant in quality and quantity why is he then so concerned about the right to ship these to certain parts of the world? The fact is that the statement is incorrect and more and more it demonstrates why we want to examine the evidence from someone else rather than from him.

He then made a perfectly typical remark. I think he forgot that someone might be following after him in this debate; I think he thought this debate would conclude at six o'clock—

Some hon. Members: Oh, oh.

Mr. Drew: When I asked him if he was not aware that exports in 1954 amounted to $81 million his reply was typical. These were his words: "That is another figure, Mr. Speaker, that has been tossed into this debate."

Mr. Pearson: Mutual aid and to the commonwealth.

Mr. Drew: It is not mutual aid at all; it has nothing to do with that. That demonstrates how little the hon. gentleman knows about it.

Mr. Rowe: Wrong again.

Mr. Drew: Yes, he is wrong again. These were the exports of arms and I think they should be placed on the record. The figures are not available for 1955 but they are available for 1953 and 1954. The 1953 figures are as follows: aircraft, $24,646,151; aircraft parts, $15,600,356; cartridges for guns, rifles and other firearms, $19,873,298; guns, rifles and other firearms of all kinds, $24,109,640, making a total of $84,229,445. The figures for 1954 are as follows: aircraft, $12,601,190; aircraft parts, $15,841,058; cartridges for guns, rifles and other firearms, $13,803,510; guns, rifles and other firearms of all kinds, $39,548,560, making a total of $81,794,318. This is the scale of shipments—

Mr. Howe (Port Arthur): Mutual aid to our allies.

Mr. Pearson: What was their destination?

Mr. Martin: Where did they go?

Mr. Drew: —which of course does not include scrap, the kind of scrap that has been described here; scrap which was mutilated but had good serviceable barrels which were useful for many purposes.

Then the Secretary of State for External Affairs in the flighty way—indeed, the claptrap way—in which he was dealing with the subject, said this in regard to the question of the shipment of arms, and these are his

words: "It may not have escaped the notice of hon. members that the Secretary of State of the United States this morning has reaffirmed, after the discussions which took place in Washington between representatives of the United Kingdom and the United States, that he on behalf of his government was going to maintain the present policy and principles in the declaration of 1950". He then went on to give the impression that the situation was just the same and that shipments would go on.

Now, since he has referred to the *Globe and Mail* let me quote from the *Globe and Mail* a description of an article from the New York *Times* news service dated February 6:

> Dulles' statement indicated that there is no immediate prospect that the U.S. will grant the request to Israel for permission to buy arms in the U.S.

Mr. Dulles then went on to say:

> We are not convinced that that disparity can be adequately offset by additional purchases of arms by the state of Israel. Dulles said that Israel's population is only 2,000,000 while that of the Arab states amounts to tens of millions "and they apparently have been offered access to huge stores of Soviet bloc material."
>
> Under these circumstances, Dulles expressed the view that Israel's security could be better assured "by means other than an arms race".

That is our belief. Then follows a direct quotation from Dulles' statement which was so misinterpreted to us:

> "The combined influence of the nations which would, under the U.N. charter and the tripartite declaration, be against any armed aggression," said Dulles, "is a far more effective deterrent to any potential aggression than any amount of arms which could be obtained by either side."

That is precisely the position we have taken. We have asked by this motion that the committee on external affairs be empowered to deal with this subject. That is not met by the committee on external affairs meeting. The Secretary of State for External Affairs closed his remarks by stating that this committee would soon be set up and that he would be prepared to appear before that committee. These were his words: "I will be very happy, as usual, to subject myself to cross-examination as complete as hon. members opposite would like to make it in respect of any sphere of my activities, arms policy or anything else."

Some hon. Members: Oh, oh.

Mr. Drew: That continued noise is an attempt to shut off this debate.

Some hon. Members: No.

Mr. Drew: No, the minister does not know the facts. We want a committee set up that can have people come before it who do know the facts. We want to know what is being done in regard to trafficking in the tools of death, and we have a right to know. We believe in the supremacy of parliament. An iron curtain has been closed down on the supplying of information by the votes taken yesterday.

Let us have an opportunity to examine this subject properly. There is a motion before the house which the government could accept to empower the committee on external affairs to inquire into this whole subject, to bring before it men who really know the facts and are prepared to give accurate information which we have not yet received. No more important subject will come before this house. As was said earlier today by one hon. member, if we should approach a serious period let every hon. member check his conscience and ask himself what answer he would give if he were asked to—

Mr. Speaker: Order.

Mr. Pearson: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Pearson: Mr. Speaker, on—

Some hon. Members: Sit down.

An hon. Member: The vote is on.

Mr. Speaker: Hon. members will please give me a chance to perform my duty. In order to do so I must be heard. The Clerk has just informed me that it is 8.15 p.m. and it is gradually getting to be 8.16 p.m. It is my duty by virtue of standing order 56 (4) (d) to interrupt the proceedings and forthwith put the question on the amendment which is now before the house.

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

YEAS

Messrs:

Aitken, Miss	Fraser (Peterborough)
Argue	Fulton
Balcer	Gagnon
Barnett	Girard
Bell	Green
Bennett, Miss	Hahn
Blackmore	Hamilton (Notre Dame de Grace)
Blair	Hamilton (York West)
Brooks	Hansell
Bryce	Harkness
Bryson	Hees
Cameron (Nanaimo)	Herridge
Campbell	Hodgson
Castleden	Holowach
Charlton	Howe (Wellington-Huron)
Churchill	Johnson (Kindersley)
Coldwell	Johnston (Bow River)
Diefenbaker	Jones
Drew	Knight
Dufresne	Knowles
Ellis	Lennard
Fairclough, Mrs.	
Fleming	

Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Patterson
Pearkes
Perron
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Rowe
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—79.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Balcom
Batten
Beaudry
Benidickson
Bennett
Blanchette
Bonnier
Boucher
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
James
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Martin
Masse
Matheson
Menard
Meunier
Michaud
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Wylie—147.

POLICY OF CANADIAN BROADCASTING CORPORATION

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I have drawn attention in times past to the dangers of monopoly particularly in reference to the media for the communication of ideas. Likewise, attention has been drawn on more than one occasion by those who sit in this part of the house to the danger of attempted government control of the means of expression, especially when that control is directed to serving partisan purposes. The Canadian Broadcasting Corporation claims to operate free of government control. The time has come, sir, to examine such claims and also at the same time to examine the definition of some of the terms that have been used in this regard.

Last autumn there was published a volume entitled, "The Age of Mackenzie King". The authors of that work are Bernard Ostry and H. S. Ferns, two eminent Canadian scholars now on the staff of the University of Birmingham. To say the least, the book was not complimentary to the late Mr. Mackenzie King or to the record of the Liberal party before and during the period of his leadership. Indeed, the book has gone some distance to explode some of the myths which the Liberal party has sought to create. The book has, therefore, become a controversial book.

Mr. Lesage: Wait until the history of your leader's life is published.

Mr. Fleming: It is undeniable that it is an important book. It has been widely reviewed. There is much evidence of interest in it. It was, therefore, eminently suitable for a panel discussion on radio and television by competent persons, a panel discussion because that affords an opportunity for some degree of balance in relation to a controversial subject. I am not debating here, although I will be

glad to on another occasion, the contents. I am dealing here with the fact that the book is of a controversial nature and one of very high interest.

Indeed, sir, the Canadian Broadcasting Corporation thought it was of sufficiently wide public interest that it decided it was suitable for its programs, programs both of television and of sound. So an approach was made to Mr. Ostry in England by the Canadian Broadcasting Corporation, and at the request of the Canadian Broadcasting Corporation Mr. Ostry made a recording for use in connection with both television and sound programs in relation to this controversial book. The film and the recording were sent to Canada to be used as introductions to two 30-minute panel discussion programs which were scheduled for dates in December over the networks of the Canadian Broadcasting Corporation and, as was mentioned this afternoon by the hon. member for Humboldt-Melfort (Mr. Bryson), the Canadian Broadcasting Corporation went so far as to announce its intention to carry these programs on the network.

In the *C.B.C. Times* for the week December 18 to December 23—this being a well known C.B.C. publication; it is commonly referred to by the officers of the corporation as a sort of house organ—at page 6 we find, under the programs listed for Tuesday, December 20, the following:

> 11.00—Anthology—

That is 11.00 p.m.

> Radio's literary magazine. Tonight: The Mackenzie King Era, by Bernard Ostrey and H. S. Ferns
> CBA, CBH, CBI—

And so on.

Mr. Speaker, that television program never was carried out. The sound broadcasting program was never carried out. Why neither of these programs, notwithstanding that announcement, was never carried out has not yet been explained.

Mr. Trainor: It is obvious.

Mr. Fleming: Mr. Ostry sought from the Canadian Broadcasting Corporation, through its responsible officers, to be informed as to why that program, in which he had been asked to participate and in which he had already participated in the film recording and the sound recording, was not to proceed. He was met with the statement on the part of those officials of the Canadian Broadcasting Corporation that the programs were not going to be broadcast because of a decision taken at Ottawa. When he pursued his question as to who at Ottawa made the decision, he was given the cryptic answer, "It was done by the directorate". When he asked what the directorate was or who were the members of the so-called directorate, he was refused an answer.

I have been a member of the house committee on radio broadcasting since the year 1945. In that time I think there have been six or seven of those committees. I may say that never previously had I heard of such a thing as the directorate. That was the reason why I today asked the Minister of National Revenue (Mr. McCann) about the directorate. He indicated that he was aware of the existence of the directorate but that, at the moment of the asking of the question this afternoon, he was not in a position to tell me who constitute the personnel of the directorate.

I simply mention that on the frequent occasions when Mr. Dunton, the chairman of the board of governors of the Canadian Broadcasting Corporation, has been asked in the committee who makes decisions with regard to programs, and as to who are to go on and who are to be kept off and kindred questions, he has declined to answer. He has always said, "I take the responsibility", and he will not submit to further questioning as to who carry out the function of making these decisions. But now at long last we are told that there is a directorate, apparently functioning at Ottawa, which decides what programs shall go on the air or what shall not. In this case we are told that it was by decision of this directorate that these two arranged programs did not proceed.

Yesterday, Mr. Speaker, the hon. member for Humboldt-Melfort (Mr. Bryson) asked of the minister a question which it would have been my intention to ask concerning the reason why this program or these programs had been cancelled. As reported at page 881 of *Hansard*, the answer of the Minister of National Revenue was as follows. Perhaps I should read the question. The question was:

> I should like to direct a question to the Minister of National Revenue. Why was the discussion on the book "The Age of Mackenzie King" cancelled by the C.B.C.?

Then the minister's answer was as follows:

> Mr. Speaker, I have asked the C.B.C. about this matter and I am informed that it was not a case of cancelling a program. The C.B.C. reports that, while some consideration was given to the book as a possible subject for a national television network discussion, on consideration it was not thought to be a good basis for such a discussion.

There you will observe that the minister is saying that the program was not cancelled. That is an amazing statement in view of the fact that responsible officials of the Canadian Broadcasting Corporation had already informed Mr. Ostry that the program had been

cancelled. Even in the face of the arrangements which had been made, even in the face of the publication by the C.B.C. in the *C.B.C. Times* of its intention to broadcast that program on the television network on the evening of December 20, the minister has the audacity to say that the program was not cancelled. Mr. Speaker, we have here another example of these inaccurate answers from the government. You cannot get away from that kind of statement by mere quibbling, by saying that "session" just means "sitting", for instance, as we heard today. No, Mr. Speaker, you cannot get around a statement of that kind by any such quibbling.

Mr. Howe (Port Arthur): You are still annoyed, are you?

Mr. Fleming: Here is a minister saying that it was not cancelled. But the fact is that it was cancelled after it had been announced. Why was it cancelled? Who reached the decision to cancel it? Mr. Ostry has been told that the directorate—whoever they may be—made the decision to cancel it. On what grounds did they make their decision? With what information before them and with what communications before them did they reach that decision?

Mr. Pickersgill: They probably read the book.

Mr. Fleming: That is an interesting comment from the minister. I think this time the minister is right: they read the book; and thereby, Mr. Speaker, hangs the tale and no doubt the explanation.

Looking about for the source of this idea to cancel an announced program concerning a book which, as I have indicated, to say the least is not complimentary to the late Mr. King or the record of the Liberal party, is it not fair to ask this question: Where does the advantage accrue from such a cancellation? To even the most untutored in the tortuous ways of this government it is perfectly obvious that the only advantage that could accrue from the cancellation of that program was an advantage to the Liberal party and the government opposite. Hence, Mr. Speaker, we are left with two alternative explanations.

The first one is that this program must have been cancelled by request of the government. I am not so naïve as to suggest that the Prime Minister (Mr. St. Laurent) wrote a letter to Mr. Dunton and asked that this program should be cancelled. Oh, no; I do not make that suggestion. I do not even suggest that the Minister of National Revenue necessarily picked up the telephone and called Mr. Dunton or spoke with anyone representing the so-called directorate. I am not even suggesting that the Minister of Citizenship and Immigration (Mr. Pickersgill) necessarily communicated, perhaps by artful stratagem or hint, the feelings of the government in this matter or his personal feelings which would be the same thing. But, Mr. Speaker, by whatever method the view was conveyed or the hint, it is quite obvious that the feelings of the government were not offended by the cancellation. That is one of the two possible explanations.

The other alternative explanation is that the directorate, in proceeding to cancel this program, was acting in the interests of the government and the Liberal party even without direct government intervention.

Sir, of the two alternatives the second would be the worse for Canada because it would mean that the directorate, the responsible body in the Canadian Broadcasting organization, was anticipating government desires in this matter and was showing such a tender solicitude for the partisan interests of the government as would serve the desires of the government. Take your choice, Mr. Speaker, of those two alternative explanations.

Suspicion could not fail to be aroused by the method in which this matter has been handled, the secrecy of the Canadian Broadcasting Corporation in the way it went about the ugly task of the interment of the plans for this broadcast. There was no frank, straightforward statement coming from them. No, it is quite obvious that they felt they had something to hide; they had something to hold back and therefore the interment must be secret.

In addition, we have what has become the so familiar pattern in this house of another inaccurate answer from a minister. This, sir, has been an ugly act of suppression. It underlines again the dangers of monopoly in reference to an important medium for the communication of ideas. It underlines again the rank peril of government interference, direct or indirect, with this means of communication of ideas. It should not be forgotten that by the statement of responsible officials of the broadcasting corporation the decision to cancel this program, which amounts to a ban and therefore I say decision to ban the panel discussion of this controversial book, was taken at Ottawa. It was a decision to cancel a program already announced.

Where is freedom if this sort of thing can be done? There is only one T.V. network permitted in this country, and here was a program that had been arranged for the network, with all the preparations made so far as the principal figure was concerned.

One thing remains and one alone out of the announced plan of the Canadian Broadcasting Corporation. Gone are the plans for the panel which would have assured a variety of qualified participants in reference to a controversial subject. You will bear in mind, sir, I am not suggesting that the participants in such a panel would be men favourable to the book. The whole purpose of panel discussion, as I understand it in reference to a controversial question, is that you have a variety of points of view and the public hears all sides of the issue.

But gone are the plans for a panel discussion in reference to this controversial volume. All that remains is a plan for a review a little later on by one person, in this case by a gentleman who no doubt would have been suitable as one of the participants in a panel discussion of the book and what it has disclosed, but who now being the sole selected individual to put on a one-man review of the book, happens to be a gentleman employed by the executors of the estate of the late Mr. King as one of his literary editors. We will still recognize that the book is important enough and of sufficient public interest to have warranted the Canadian Broadcasting Corporation last autumn undertaking a sound broadcast and a panel discussion on a television network.

Is this the government's idea of fair play? Is this the Canadian Broadcasting Corporation's conception of its duty to the Canadian public? Rather, sir, this is one particularly ugly example of the grip that the Liberal party has laid hold upon the channels of communication and its use of them or abuse of them for its own partisan advantage. We have seen the same thing in reference to television broadcasts. We were reminded not long ago that when the corporation, feeling very uncomfortable in the face of the present situation, desired that the use of the television panels should be opened up to the political parties of this country, the objection made to the use of the channel came from the Liberal party. We shall not forget that it was in this house on January 12 that the Prime Minister (Mr. St. Laurent), with no doubt commendable frankness, appeared to take personal responsibility in the matter.

Let the Canadian public well realize it has been the Liberal party that has been denying the fair use of the television channels to the political parties. They have all the advantage now. Anything is an excuse for putting a minister on television, but nothing is sufficient justification for putting a representative of another party on the television channels. The advantage is all with the government today, and they mean to keep that advantage just as long as they can.

[Mr. Fleming.]

One further thing, sir; let it not be forgotten that when the representatives of the political parties were called into session to discuss the inauguration of such a service in which the various political parties of this country would be afforded an opportunity to participate, from the lips of the representative of the Liberal party at that conference there came the question as to who was going to censor the program. Here is an act of censorship. Here has been an act of banning, regardless of what the Minister of National Revenue (Mr. McCann) says. It was an act of cancellation and this has been done in a way that has accrued, so they think and undoubtedly so they hope, to the partisan advantage of the Liberal party and this government.

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to ask him a question?

Mr. Fleming: With pleasure.

Mr. Pickersgill: If I understood him correctly, I understood him to say that at a meeting between the C.B.C. and the various representatives of the political parties a representative of the Liberal party asked the question, who was going to censor the program. I wonder if the hon. gentleman was present at that meeting or what his source of information was? I think we are entitled to be told because I understood this was a private meeting. I think we are entitled to be told what the authority is for that statement because I do not believe, sir, that it is true.

Mr. Fleming: Whether or not the minister thinks it is true does not alter the fact it is true. I was not present at that meeting, and I believe he was not either, so I do not know why he arrogates that kind of authority to himself, but I will tell him I have heard it from several sources, and in every case a reputable and dependable source. There can be no doubt the remark was made.

Mr. Pickersgill: If I may be permitted I would say that I have had the privilege of reading the minutes of that meeting.

Mr. Fleming: Were they secret?

Mr. Pickersgill: And there is nothing of the kind in the minutes.

Mr. Fleming: Apparently it did not get on the minutes. Did the minister have anything to do with suppressing the minutes of the meeting he was talking about that was so secret?

POST OFFICE DEPARTMENT—LABOUR RELATIONS

Mr. Claude Ellis (Regina City): I wish at this time to draw to the attention of the house some of the unfair labour practices engaged

in by the government of Canada. I do so as a result of several questions asked with regard to the post office department since this session commenced, and which were asked by the hon. member for Winnipeg North Centre (Mr. Knowles) and myself with respect to the liquidation of overtime accumulated during the Christmas rush. As a result of the answers given by the Postmaster General at that time I am wondering whether we realize the seriousness of the government's attitude towards the problem of the 40-hour week and the whole question of overtime. At the time the bill to increase postal rates was before the house we were told it would be necessary to increase the postal rates in order to take care of the additional costs of instituting the 40-hour week and the wage increases involved.

During the course of that debate many of us wondered just how clear the government was in its understanding of the 40-hour week. I recall asking the Postmaster General at that time if he was aware of the fact that the normal practice for a 40-hour week was to pay time and a half for all time worked in excess of the 40 hours. At that time he replied that the government policy was to give the workers a 40-hour week and if they worked over 40 hours they would then be paid at their regular rates of pay. As a matter of fact, it was much worse than that at the time. We were told that the regular postmen who agreed to work a sixth day would be paid at the rate offered to temporary or casual help, which would mean in effect that they would be working at a rate less than their regular rate of pay. Then, after a great deal of confusion on the part of the minister, we did get the impression that the government policy in this regard was to require that the employees work 40 hours and then to ask them if they would work a sixth day. They went much further than that, too. There were complaints coming to hon. members from postal groups throughout the country referring to the efforts made on the part of the postmasters to get personnel to work six days; and mark this, while they were supposed to be working a 40-hour week they were asked to go back and work six days at their regular rates of pay. The government could see nothing wrong with that at the time. I think that is a clear indication that this government has no concept of what the 40-hour week really is.

There were several other matters which entered into the discussion at this time and these matters were brought up at a later time when the estimates of the Postmaster General were before the house. I am not going to refer to them except to state that the pattern indicates the lamentable record of the government in its relations with its employees. We were happy that the government backed down in connection with the question of the priority of holidays which would have been destroyed to a large extent by a change in regulations.

Not long ago the government proposed to introduce penalties for those who were late in arriving at work, and we remember the tremendous outcry which quite naturally arose from those who were affected. Hon. members in this house indicated the folly of that plan, an insult to a loyal group of public servants.

A short while ago the hon. member for Peterborough (Mr. Fraser) brought up the question of the installation of television in the post office in Peterborough. It is quite true that the government has not talked about putting television in any other post office but we are led to believe that this is more or less an experiment and if the government is satisfied with it then I presume there will be a movement to instal television in other post offices across Canada.

Each of these instances is serious enough in itself but when you see the over-all pattern indicating the callous disregard on the part of the government for the rights of public servants in this country we realize that the government should undertake a revision of their entire attitude.

While we are talking about the dismal record and maladministration on the part of the Post Office Department we must mention the latest instance, which has to do with the liquidation of Christmas overtime. I received, Mr. Speaker, a copy of a resolution passed at the January meeting of the Regina branch of the Canadian postal employees association and I should like to read the resolution because I think it clearly outlines the legitimate complaints of these postal workers:

> Whereas—
>
> During the Christmas rush, postal workers are called on to work 14 hours per diem (less lunch periods) in order to process the tremendous amount of extra mail to ensure delivery before the holiday.
>
> And whereas—
>
> Workers are put to additional expense for extra meals and for taxies,
>
> And whereas—
>
> Four extra hours are worked per week before time and one half is paid,
>
> Therefore we of the Regina Branch of the Canadian Postal Employees Association do unanimously protest the recent ruling of the Post Office Department to liquidate some of this overtime during the month of January.

When this question was raised in the house the Postmaster General made the most amazing statement. He said that there is nothing wrong with this because this is the practice throughout the civil service. In other words,

crime is not important if it has become compounded. The fact that this is the practice throughout the civil service is a poor excuse for treating the post office employees in this shameful manner.

The minister made another amazing statement when he said there is an order in council which covers the question of overtime. Well, who passed the order in council? How can the government hide behind an order in council on a matter of this kind? The government passed the order in council stipulating that overtime would not be paid under certain circumstances but instead this time would be liquidated during the month of January.

My contention is simple: If the government could pass an order in council restricting and impeding rights of postal workers, then the same government can rescind that order in council and treat the postal workers properly. If the minister considers that because this is common practice throughout the civil service it is an excuse for the poor treatment of one group of civil servants, then I suggest it is time the government reviewed the system. I should state, Mr. Speaker, that while I am giving a specific instance concerning the Post Office Department I am by no means suggesting that the Postmaster General is more at fault than is any other member of the government. This is a decision which has been made by this government and the Postmaster General is apparently carrying out the government's policy in this regard. It is that government policy which I am protesting at this time.

I think we have to be quite clear that a 40-hour week means that the workers work 40 hours and every hour worked in addition to the 40 hours is overtime and must be paid for at overtime rates of pay. I think we have to recognize that the payment of overtime rates is not a question of incentive to the employee. In reality, overtime rates of pay are a penalty against the employer. A great many unions forbid their members to work overtime because they realize that many employers use overtime as a means of keeping their labour force at the irreducible minimum and that if overtime were not paid the labour force would have to be increased.

Moreover, if there are employees who are not averse to working overtime I suggest it is because their rates of pay are so low they are compelled to accept overtime as a means of supplementing their income and the answer to that is simply not working more overtime but paying more adequate rates of wages.

I have stated before in this house that the government of this country ought to be setting an example to all other employers in Canada but instead of that we find departments of this government which have established the reputation of being the worst employers in Canada as far as treatment of their employees is concerned.

I ask this question: How many employers in this country could get away with what the Post Office Department apparently got away with this year? I wonder how many packing houses or how many factories could say to their men around Christmas, "We are awfully busy this year and are going to require you to work many hours in excess of the regular work week; if you work you can take time off in January." They would not get away with it; there is not a trade union in this country which would put up with it for a moment, and yet civil servants of this government are being obliged to put up with that sort of thing.

I make the plea to the government at this time that they give serious consideration to this matter and recognize their responsibility to the people of this country and that they ought to be setting a good example to other employers rather than setting a bad example. They can set a good example by taking into consideration all the aspects of the 40-hour week and doing away with unfair labour practices which have given the government a black eye as far as their relationship with their employees is concerned.

I say to the Postmaster General (Mr. Lapointe) and through him to the government: Now is the time to pay heed to the representations that have been made. I do not know what the Postmaster General and other ministers of the crown do when representations are received. I have read the resolution passed by the branch in my constituency and I think it indicates to hon. members the reasonableness of the request these people are making. They are not asking for anything which any employee in this country has not the right to get.

What is the government going to do about it instead of getting up and saying they are not going to do anything in connection with this department because it would affect other departments. The Minister of Citizenship and Immigration (Mr. Pickersgill) stood up in this house last year when the post office estimates were being considered and said that they did not want to discuss this matter at that time because it had to do with the civil service commission and the civil service as a whole.

I am not levelling my criticism at the Postmaster General alone. I ask him and his colleagues in the government to give active consideration to the request made by these

public servants and usher in a new and better concept of labour relations in the government service.

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to say a few words on the subject raised by the hon. member for Regina City (Mr. Ellis). I have had occasion before to speak in regard to this matter for certain civil servants. I think the time is long past when any branch of the government of Canada should adhere to the old method of asking workers to work overtime for the privilege of taking time off a little later. As far as the post office employees are concerned they are glad to do this and are ready to work overtime at a time of the year when most people like to have time with their families. But when they do this they are asked to take time off at a period in the year when there is not much else they can do except to sit at home. Surely this government is advanced enough to get away from that old way of treating employees.

I am not going to say much more in this connection. I think all that needs to be done is to draw to the attention of the government how obsolete this sort of treatment is and to ask the government to treat the civil service on the same basis as the employees of private industry are treated. Times have changed in the last few years as far as the relations of workers and employers in industry are concerned. The workers are no longer standing in daily fear of what may happen to them in their employment. They have developed organizations and are thus able to demand consideration from their employers which they never would get without such organizations.

I have not the press clipping with me but since coming down here I read an article in a paper published in Quebec—I think the incident occurred in that province—dealing with the prosecution of some employers in the lumbering industry for cruelty to the horses used in their operations. The judge was quite scathing in his remarks and he said something like this: The workers in industry have organized and can demand proper working conditions, but the horses are not in a position where they can organize, and when cases of this kind are brought before them the courts should see that animals are treated properly. I intended to bring that clipping down with me and I probably should have it, but I left it on my desk.

That brought home to me the fact that only a few years ago the workers in this industry had just as little to say about the conditions under which they had to work as the horses had. But things have changed. I suggest to the Postmaster General (Mr. Lapointe) that he discuss this matter with his administrative staff and I think they will soon realize how old-fashioned it is to say to an employee, "The circumstances are such that we want you to work overtime for the next two or three weeks and then a few weeks later you can take time off as we will not need your services then".

A worker should be paid for his services. If he works overtime he should receive a higher income. When he receives that higher income he should be able to do with it what he likes and in his own time and not be at the beck and call of his employer, whether that employer be the government of Canada or private industry.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I have spoken privately to the minsters about this matter of post office employees, as well as hourly-rated employees in the national parks. I think these two matters are sufficiently related to justify their being dealt with at this time. I feel I should express my appreciation to the hon. member for Regina City (Mr. Ellis) for having brought forward this matter, and indicate that I intend to support him in his contention that an employee, whether working for the government or for industry, should have equal rights and privileges. When it is impractical or impossible to carry out the amount of extra work in a post office during the Christmas rush, it is the normal practice to hire temporary employees, but it would seem that they are not extending this practice sufficiently far to provide for all the extra work that is required. Therefore the regular employees are required to work overtime during the Christmas rush and then take time off when they are not required. A more orderly consideration should be given at the outset to this, and if we have enough employees on regular employment that it would cause no dislocation to have them take time off during the work week, then we are not making the best use of our regular employees. If they are required to work overtime, in the province, particularly, where the work week is defined, they should not be expected to work in excess of that work week without some compensation. I do not believe that the compensation is set down in the actual statutes. They simply state the work week as so many hours. Usually the employees make their own arrangements with the employer as to what compensation shall be paid. Certainly overtime is not straight time at regular rates. They should be compensated at rates higher than the regular rates when required to work over the eight hours or over the 40-hour or 44-hour week, as the case may be.

Pensions for Disabled Persons

The other question with which I am concerned is the matter of day rate employees working in the national parks. Those who are in the civil service have their regular work week set down by the civil service commission; and in many cases it is eight hours less per week than their fellow employees working almost side by side with them. The civil service employees will be able to call it a week on Friday evening in many cases, while the day rate employees must continue to work on through Saturday and very often at a lower rate of pay. We understand, of course, that in such services as are provided in national parks Saturday and Sunday work must be carried on. In that case, I understand, the practice is to give the employees days off during the week, but the daily rate employees have been required to work longer hours and have not been compensated or have not had their hours adjusted. I thought I should bring that matter also to the attention of the minister.

PENSIONS FOR THE DISABLED

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, the reason why the Conservative party is the party of the future in Canada is precisely because it is the only party whose representatives are expressly directed to represent faithfully the exact wishes of all their constituents, regardless of party affiliation.

One of the most tragic things in this country lies in the fact that enough people have not stopped to realize how badly this country is being governed. This government has become impotent and, through non-use of its governmental functions, has become atrophied and petrified.

May I dispose of the recent remarks of the hon. member for Charlotte (Mr. Stuart)? Yes, I wrote to the Creditist Movement president in my area, Mr. Armand Grondin, and it was a pleasure for me to assist them in a few subscriptions to their journal, *Vers Demain*. My only regret is that I did not suggest that those subscriptions be sent to the ministers and the hon. members across the way. I am of the Conservative party, but that does not stop me from being grateful to the thousands of former Liberals in my riding who voted for me and the Conservative party. Those Liberals took one look at the Minister of Northern Affairs and National Resources (Mr. Lesage) and all the other ministers and the numerous Liberal M.P.'s who came to my riding, and they all said they would never vote Liberal again.

Mr. Deputy Speaker: Order.

Mr. Van Horne: The Liberal government—

[Mr. Byrne.]

Mr. Deputy Speaker: Order. I wonder if the hon. member would resume his seat while I am on my feet. Perhaps if the hon. member would state his grievance to the Chair, we would have more order in the house.

Mr. Van Horne: Mr. Speaker, my grievance—

Some hon. Members: Oh, oh!

Mr. Van Horne: —is the treatment the Liberal government is giving Canada. All that the Liberal members have to do to be defeated is to be seen and heard by the people of Canada. It has happened in my riding in the last by-election on September 26. Former Liberal members in my riding are unanimous in stating that it is not the Liberals who left the Liberal government; but it is the Liberal government which has left the people of Canada. Let me say this. I would much rather wake up on the morrow of an election—

An hon. Member: You will.

Mr. Van Horne: —and find myself grateful to the many former Liberals and Creditists, than to find myself in the position the Liberal members are in; of having to be grateful to the communists.

Mr. Deputy Speaker: Order. May I remind the hon. member again that he must resume his seat when I rise? May I remind the hon. member also that we are engaged in the discussion of a motion that Mr. Speaker do leave the chair for the house to resolve itself into committee of supply? On this occasion, hon. members may raise grievances within the legislative competence of this parliament, but so far I fail to see that the hon. member is raising a grievance that is in order under our rules. I must ask the hon. member to keep his remarks within the rules of this house.

Mr. Green: On a point of order, may I suggest to Your Honour that you also remind the government supporters in this house that it is against the rules to shout down a member who is speaking?

Mr. Deputy Speaker: Order. I have found that in this house certain conduct usually invites certain replies. As soon as I found that disorder was taking place, the hon. member who has just spoken will realize that I rose and requested order for the hon. member who had the floor.

Mr. Van Horne: Mr. Speaker, I am coming to my grievance—

Some hon. Members: Oh!

Mr. Van Horne: —but I had wished to dispose of the attacks that had been made the other day by the hon. member for Charlotte, whose tactics—

Mr. Deputy Speaker: Order. May I at this moment also remind the hon. member that he will of course not refer to a debate of the same session which was concluded on a previous occasion.

Mr. Van Horne: Well, Mr. Speaker, my grievance is invalids' pensions.

An hon. Member: The price of potatoes.

Mr. Van Horne: It has got to the point in this country that unless a person possesses certificates from several doctors stating that the only reason he is alive is that he cannot afford to be buried, he cannot get the invalids' pension. I am convinced that the only body in Canada which is so completely and permanently disabled that it can fully qualify for the invalids' pension—

Mr. Byrne: On a point of order, Mr. Speaker, this is completely repetitious debate. The hon. member went into this question in the speech from the throne debate.

Mr. Deputy Speaker: The hon. member for Restigouche-Madawaska.

Mr. Van Horne: As I say, Mr. Speaker, the only body in Canada which in my opinion is fully qualified to receive the invalids' pension at the moment, which is so fully, completely and permanently disabled that it can no longer act and can no longer move, is the body politic of the present Liberal government. They do not need any certificates at all to get a pension.

An hon. Member: Is that your grievance?

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

Some hon. Members: No.

Mr. Van Horne: No. I gather it is possible to speak on more than one grievance. As a boy going to school I was taught to hold this house in high regard as a sort of sanctuary where the voice of the people was heard and listened to. What a disappointment! What a horrible impression must remain in the minds and hearts of the people who come and sit in the galleries of the house! The other day I was tempted to cross the floor—

Some hon. Members: Oh, oh.

An hon. Member: We do not want you.

An hon. Member: Stay where you are.

Mr. Deputy Speaker: Order. May I request hon. members kindly to preserve order while the hon. member is stating his grievance.

Mr. Van Horne: Frankly I was worried because there was one member across the way whose neck was horizontal and, I thought, possibly broken, while his body was vertical and he was sound asleep.

Then I have another grievance. I come from a French-speaking riding and when I come here I should like to speak in French. I feel there should be translation facilities in the house which would permit every member to hear me in English simultaneously when I speak in French, just as they have at the United Nations. Then there should be recording devices to supplement the shorthand notes of the reporters which are never 100 per cent accurate.

Why does the government not give these desks to some poor school district in my riding and supply us with desks under which we would have room to put our knees and where we could do some work? Furthermore, there should be a waiting room where we can receive and greet people who come to see us as members of parliament. Something should be done now to remove the bad impression which this House of Commons gives the people of Canada when they come to visit us. People must be made to respect this house and honour the noble traditions of democratic government. Not one person in ten who visits here leaves without an impression of having been let down.

The tragedy of Canada is that our people do not realize how indifferently, how inadequately and how badly we, the Canadian people, are governed. The government-financed Liberal propaganda machine has, by hollering loud and long and by dint of repetition, lulled far too many Canadians into believing that all is well and that this country may continue in this slap-happy, indolent method of government while we struggle with only a small part of the Canadian heritage which would be ours if we had in Canada a progressive wide-awake government, which only the Conservative party can provide.

I was forcibly reminded of this during the recent by-election campaign when the real issues were brought before a people that had hitherto placed its confidence in the Liberal party. If the Canadian people knew the facts they would resolve never to vote for this government again. In the time of the late Mackenzie King it was government on the advice received at seance meetings through these professional mediums, of dead people and dead dogs. Of course those were the days before high fidelity and the late prime minister is reported having complained that the voices from the grave were often scratchy. Of course he never bothered to look under the draped tables in these

seance meetings to see the old gramophone which brought him these dead voices.

Mr. Deputy Speaker: Order. I really hope I do not have to rise once more. Surely the hon. member must realize that we are discussing grievances, and I cannot see that the hon. member's remarks have been in order for the last several moments. As I said before, I have granted the leniency which I think is due a new member, but I really hope I will not have to rise to my feet once more.

Mr. Van Horne: My grievance, Mr. Speaker, was originally with certain aspects of the Department of National Health and Welfare and primarily invalids' pensions. In my county about 2 per cent of the people entitled to invalids' pensions are getting them. It has become a problem of the utmost importance; the department must take action to establish honest and just measures by which those people who are prevented from earning a living because of sickness can get these pensions. It is now nothing more than a means of propaganda fostered by the Liberal propaganda machine to get votes.

Mr. Robichaud: Administered by the provinces.

Mr. Van Horne: It does not help any province. It does nothing, and only one person in a hundred is able to get a pension. The Minister of National Health and Welfare (Mr. Martin) and the department hide behind all sorts of excuses and say that the provinces have something to do with it. The provinces come back and say that the department uses dictatorial methods in establishing the policies that must be followed with regard to invalids' pensions. The Minister of National Health and Welfare will probably say that something may be done in the very distant future, but we want something done now to give these pensions to the people who deserve them. In my opinion the government shirks its duty and is irresponsible in its attitude to the people by continuing to state that we have invalids' pensions when in fact invalids' pensions are not available to the people who should get them. Can my complaint and my grievance be any more clear than that?

I say, Mr. Speaker, that we in Restigouche-Madawaska, and in the maritimes generally, are fed up. We are tired of this government which fails to recognize, through indolence, indifference and apathy, the real and vital problems with which we have to deal from day to day. Let the government wake up to the needs of the Canadian people and the needs of the maritime provinces. Let the government realize that it is responsible to the maritime provinces as well as to the people in the rest of Canada. I am getting away from my main grievance again, Mr. Speaker, but I have finished what I wish to say now.

Mr. Herridge: Mr. Speaker—

Mr. Robichaud: Will the hon. member permit a question? Is the hon. member still prepared to use the term he has used in this house on January 17 when he sees this poster which says, and I translate: "$5 for your potatoes; vote for Van Horne".

Mr. Van Horne: I want to answer that—

Mr. Deputy Speaker: Order. I recognize the hon. member for Kootenay West.

PENSION SCHEMES—INCOME TAX REGULATIONS

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would not for a moment attempt to compete with the highly volatile and explosive member who has preceded me. In listening to his remarks and noting his mannerisms, his verbosity and loudness, I am reminded of a member who sat to my left some years ago.

An hon. Member: Where is he now?

Mr. Herridge: He remained in this house a very short time. He has long since disappeared from this chamber.

I rise to make a mild request. I may say that my requests are always mild. In fact, one of my political opponents on one occasion said that I was the mildest-mannered man that had ever cut a political throat. Anyway, I am going to be quite brief.

Mr. Knowles: It does not take long.

Mr. Herridge: A number of working people in my constituency and in other constituencies in Canada are very much concerned about the income tax regulations with regard to pension schemes and things of that sort. On that account last session I dealt with the question in the house at some length and on that occasion I was pleased to note with what great interest the Minister of National Revenue (Mr. McCann) listened to my representations. I understand that later on a departmental committee was formed to study this question. I know it is a matter of great concern to many working people because I have had it raised with me in conversations and I have received a number of letters about it. Many people interested in pension plans are much concerned about this matter and are waiting with some impatience for the decision of the government in this respect.

I rise at this time only to urge upon the minister that the government make an announcement in this respect at as early a date

as possible because we are approaching the time when negotiations are carried on and things of that sort. There are many men who are much concerned about what the decision of the government is with respect to the application of the income tax regulations to pension funds in this country.

REFERENCE TO MISTAKE IN BY-ELECTION ADVERTISEMENT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my grievance is one which I shall state briefly. I am prompted to state it because of the fact that the hon. member who spoke previous to the last one was the hon. member for Restigouche-Madawaska (Mr. Van Horne). I hold in my hand a page from *Le Madawaska*—

Mr. Van Horne: That was a mistake.

Mr. Knowles: —published at Edmundston, New Brunswick, on September 22, 1955.

Mr. Van Horne: That was a mistake.

Mr. Knowles: As everyone can see, it has a picture of the very good-looking hon. member for Restigouche-Madawaska and it has an appeal in French to the constituents of that riding to vote for him. It is perfectly in order for such an appeal to be made but I should like to call to the attention of the house the first item on this page. My grievance will then be quite clear if my French is understandable.

Mr. Van Horne: It is a mistake by a Liberal newspaper.

Mr. Knowles: It reads as follows:

(*Translation*):

Increase of pensions: in May 1954, all Liberal members, including Jean Lesage and Bona Arsenault, voted against the motion submitted by Stanley Knowles, Progressive Conservative member—

Some hon. Members: Oh, oh!

Mr. Knowles:

—to increase the pension by 50 per cent.

(*Text*):

I think my grievance is obvious. One is obliged to take a lot of things in this political life but I do not like being characterized as a Progressive Conservative deputy although I was pleased to have the support of that party as well as the support of other members on this side of the house on my motion calling for an increase in the amount of the old age pension.

CANADIAN BROADCASTING CORPORATION

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I had attempted to rise following the conclusion of the remarks made by the hon. member for Eglinton (Mr. Fleming) dealing with the particular subject concerning the C.B.C. I want to say a few words in that connection in view of the fact that the Minister of National Revenue (Mr. McCann) was rather reluctant to answer some of the criticism levelled by the hon. member for Eglinton.

In putting forward the criticisms I am going to make, may I say that I am going to try to make those criticisms in a constructive manner. The C.B.C. is after all a child of this government, and I would hate to see anything happen which would result in its being discredited by those forces which apparently have been brought to bear on it. I am just as much interested in the case that was made by the hon. member for Eglinton in regard to this matter about which he spoke, namely this controversial program, as is the hon. member for Eglinton; but I am afraid that the points the hon. member for Eglinton was trying to make were such as to cast reflection and to try to discredit the C.B.C. rather than to get justice for the book in question. I am also sure that the Minister of National Revenue and the C.B.C. in particular are going to have—

Mr. Deputy Speaker: Order. Do I understand that the hon. gentleman is following the remarks made by the hon. member for Eglinton earlier this evening? If so, I am just asking myself whether he is in order inasmuch as there have been, as he well knows, intervening subjects which have been discussed. If, on the other hand, the hon. gentleman had not been recognized following the hon. member for Eglinton, I think perhaps leniency might be extended to him.

An hon. Member: That is right.

Mr. Bryson: Thank you, Mr. Speaker. When I rose I pointed out that I had attempted to rise following the remarks made by the hon. member for Eglinton. As I was saying, I am concerned about this particular question that has been raised by the hon. member for Eglinton. As a matter of fact, I myself raised it in this house no later than this afternoon. I am worried that there is not going to be sufficient explanation to clear the C.B.C. That is the point that I want to make in the few minutes that I am going to speak on this question. If the C.B.C. is going to be an instrument of government propaganda, then it will lose all the significance and all of the value for which it was set up. Until the government explains its position or until the C.B.C. explains, as I am sure it is going to have an opportunity to do, what has happened in this particular instance—

Mr. Speaker: Order. I am sorry to interrupt the hon. member for Humboldt-Melfort (Mr.

Bryson). It is unfortunate that he could not get the floor immediately after the hon. member for Eglinton (Mr. Fleming). I suppose at that time he overlooked the fact that there was no amendment before the house. When there is no amendment before the house the subject which is introduced by an hon. member may be discussed until completed. Once another subject has been introduced by another hon. member, as was the case earlier this evening, one cannot revert to the former subject.

There are only a few minutes left. If the house is prepared to give its unanimous consent it can do so. Otherwise, I could not create a precedent whereby a subject would have been introduced, another subject intervening and then a reference to the former subject. See Beauchesne's third edition, citation 468.

Mr. Harris: As this is the first motion of this kind during this session, Mr. Speaker, it might be permissible for hon. members not to be as aware of the situation as they will be later. I suggest the hon. member have permission to continue.

Mr. Speaker: As there is unanimous consent and since this is not going to be considered as a precedent, the hon. member may continue.

Mr. Bryson: My remarks will only be of a few minutes' duration. I should like to say that I believe a great many people are concerned about the future of the C.B.C. They see something that is good in the C.B.C. We must keep the C.B.C.

As I said in the first instance, my criticisms are based on the proposition that we must not have any government interference that might result in the misuse of that organization. I would say that until the government has cleared up this question doubt and suspicion will remain in the minds of a great many people that this public institution is being misused by this government in order to keep from the people what would appear to be something that was not in the interests of the Liberal party. I do not think that is good. I hope, therefore, that the minister is able to clear the C.B.C. on that score.

Mr. E. G. Hansell (Macleod): There are only a few minutes remaining, but I should like to state a matter of privilege. It seems to me that when time is limited under our new rules for a certain debate, perhaps some arrangement might be made where there could be a more equitable distribution of the time between the various parties in the house. Now you will notice perhaps my point of privilege when I explain that a debate took place the other day wherein the Leader of the Opposition (Mr. Drew) spoke twice to the exclusion of even permitting another group to mention why they were going to vote in a certain way on the amendment. All day yesterday and today we debated an amendment to the motion that you leave the chair. The Leader of the Opposition and many others spoke on that motion. Now, that was in the form of a grievance.

As soon as that motion was disposed of a member of the same party rose to take the floor. Perhaps he had a right to do it, but he spoke on the same subject on which the hon. member for Humboldt-Melfort (Mr. Bryson) asked a question today. Perhaps he would have followed that with his grievance if the next party in line had obtained the floor. It simply means this, Mr. Speaker, that there should be some gentlemanly agreement and fairness in the distribution of time. It does seem to me that when one party leaves off, at least the other party should be able to follow. After that, I am not too concerned. Much of that responsibility, I think, rests with our Conservative friends. If they expect all parties to be fair they had better be fair now because they may not be sitting in that preferred position after the next election.

Mr. Trainor: So say you.

Mr. Hansell: They will look to others who are in that position to be fair. I mention this as a point of privilege, and I think when it is considered perhaps all will agree that my point of privilege is fairly well taken.

Mr. Fleming: On a question of privilege, I should like to point out for the information of the hon. member that in speaking tonight after the vote on the amendment I was speaking for the first time in this debate. As to the second point, his suggestion that the matter I was discussing had been raised by way of a question by another hon. member, I may tell him that I also was concerned in that matter. He apparently was not in the house to hear me say that I had intended to ask a similar question and did ask a question this afternoon. I had also informed the hon. member for Humboldt-Melfort that I intended to raise this question here tonight. There was no intention on his part to raise it, as he indicated to me at that time, so there is no ground for any suggestion that any member was prevented from raising the same question I raised here tonight.

Mr. Speaker: As the hon. member for Macleod (Mr. Hansell) has said, it is a matter that hon. members could well either discuss amongst themselves through the usual channels in order to arrive at some understanding or else if an hon. member

believes that the member taking the floor should not be doing so he can always move a motion that must be put without debate, that is that the hon. member be now heard. Standing order No. 29 reads:

When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

I will do my best to distribute the time as fairly as possible, but as I say the house can always take care of the matter because by virtue of the standing order I have just quoted it is in their own hands.

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

DEPARTMENT OF AGRICULTURE

1. Departmental administration (including advisory committee on agricultural services), $670,015.

Item stands.

DEPARTMENT OF EXTERNAL AFFAIRS

92. Departmental administration, $4,379,430.

Item stands.

DEPARTMENT OF LABOUR

179. Departmental administration, $702,905.

Item stands.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

244. Departmental administration, $1,222,800.

Item stands.

DEPARTMENT OF NATIONAL REVENUE

285. General administration, $3,348,014.

Item stands.

POST OFFICE DEPARTMENT

324. Departmental administration, $1,596,132.

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow, Mr. Speaker, we shall take the resolution having to do with the guarantee of bank loans, followed by the resolution having to do with the payment of storage charges.

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

Questions

ANSWERS TO QUESTIONS

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

SOUTH SASKATCHEWAN RIVER PROJECT

Question No. 13—**Mr. Diefenbaker:**

What is the total amount expended on the South Saskatchewan river dam and irrigation project, month by month, since the 1st of July, 1955?

Answer by: **Mr. Gardiner:**

July, $23,994.63; August, $38,490.12; September, $46,036.08; October, $22,584.61; November, $47,341.61; December, $37,418.75.

MILK POWDER

Question No. 52—**Mr. Hansell:**

1. What forms of milk powders are processed in Canada?
2. To what extent is this used for domestic consumption?
3. How much of this product was exported in the last year, for which records are available, and what was the total sale value?
4. To what countries was this exported, and how much to each country?
5. What are the present stocks in Canada of this product, and is it considered to be in surplus?

Answer by: **Mr. Gardiner:**

1. Milk powders are processed in Canada in two main forms, i.e., dry skim and dry whole powder.

2. With the exception of dry whole milk, over 90 per cent of the production used in Canada.

3.

	January-October, 1955 (pounds)	Value $
Dry Skim	5,390,000	630,072
Dry Whole	14,380,000	5,699,061

4.

Country	January-October 1955 (pounds) Dry Skim	Dry Whole
Trinidad	790,100	753,800
Belgian Congo	120,600	12,800
Bermuda	45,200	—
Mexico	1,205,500	—
Venezuela	1,261,300	10,865,200
U.S.A.	279,900	—
India	54,000	—
Cuba	26,000	—
Panama	127,900	365,400
Peru	253,300	23,200
Japan	171,100	—
Jamaica	170,800	24,300
Colombia	118,000	—
Costa Rica	—	313,200
Ecuador	—	114,200
El Salvador	—	127,300
Guatemala	—	699,600
British Guiana	—	30,800
Netherlands Antilles	—	125,700
Barbados	—	85,200
Indonesia	—	50,000
Thailand	—	387,000
Malaya	—	114,700

The more important countries are given only. Canada ships these products to approximately 40 different countries.

5.

	Stocks, January 1 (million pounds) 1956	1955	3 yr. average 1954-55-56
Dry Skim	13,174	11,615	11,957
Dry Whole	3,123	1,349	2,157

BOX CAR SHORTAGE

Question No. 55—**Mr. Argue:**

1. Has there been a shortage of box cars for the movement of grain since August 1, 1955?
2. If so, what has been the extent of the shortage during this period?
3. What steps have been taken by the government to relieve the shortage?
4. Have exports of (a) wheat; (b) oats; (c) barley, been hampered by any shortage of box cars?
5. If so, in what way and to what extent?

Answer by: **Mr. Howe (Port Arthur):**

1. Since August 1, 1955 the transportation position has gone through two phases. During approximately the first 90 days of the present crop year elevator congestion was severe and only limited unload space was available, particularly at the lakehead. During this phase car supply was adequate. The second phase commenced in late October when board selling increased sharply. From this time onward transportation available for the movement of grain did not keep up with sales, with the result that elevator space was created at Pacific coast ports and at the lakehead.

The filling of empty elevator space at the lakehead following the close of navigation on the great lakes normally takes some time. While the policy is to fill this space as quickly as possible with grain from country points while there exists empty space at the lakehead, it is not proper to attribute this empty space at this particular moment as being entirely due to a shortage of transportation. The factor of practical railroading must be considered.

2. See answer to No. 1 above.

3. The government, the transport controller and the Canadian wheat board have worked with the railways in securing an improvement in transportation available for grain in the face of a heavy demand for transportation throughout Canada as a whole.

4. With minor exceptions, export programs to date have been completed on schedule.

In recent weeks there has been some delay in loading ocean vessels at Pacific coast ports with particular grades of wheat, although port stocks as a whole have been adequate for current movement, but not sufficiently large to constitute an adequate reserve against heavy export programs.

5. See answer to No. 4 above.

WHEAT—PURCHASE FOR LOCAL CURRENCIES

Question No. 58—**Mr. Thatcher:**

1. During 1954 or 1955, have any nations expressed a specific desire to the Canadian wheat board or to the Canadian government, to purchase Canadian wheat with local currency, due to a shortage of Canadian dollars?
2. If so, what nations?

Answer by: **Mr. Howe (Port Arthur):**

1. No.
2. See answer to No. 1 above.

AIRPLANES IMPORTED FROM IRON CURTAIN COUNTRIES

Question No. 64—**Mr. Starr:**

1. Were any airplanes manufactured behind the iron curtain imported into Canada during the year 1955?
2. If so, (a) how many; (b) by whom; (c) at what price; (d) from what country or countries?
3. What taxes were collected on such imports, by way of customs duty or otherwise?
4. Have any such planes been imported during the current year? If so, how many and by whom?

Answer by: **Mr. Howe (Port Arthur):**

1. Imports into Canada are recorded in trade statistics by country of consignment and not by country of manufacture. During the period January 1 to October 31, 1955, (latest figures available) airplanes were consigned to Canada from Czechoslovakia.

2. (a) Three; (b) Under the Statistics Act, the names of individual importers may not be revealed; (c) One aircraft (sailplane)—$2,855, one aircraft (including engine)—$10,215, one aircraft (including engines)—$21,972; (d) All consigned from Czechoslovakia.

3. Customs duty and taxes—nil.

4. Information not yet available.

Questions

INDIAN AFFAIRS—DOCTORS AND DENTISTS

Question No. 72—**Mr. Regier:**

1. On how many occasions in 1955 did the civil service commission of Canada ask for applications for the services of doctors and dentists for the department of Indian affairs?
2. What was the average salary offered?
3. What was the average number of applicants for each of the positions?

Answer by: **Mr. Pinard:**

1. During 1955 the following competitions were advertised to fill vacancies for medical officers and dental surgeons in the Indian health services of the Department of National Health and Welfare:

Medical officer, grade 3, Lady Willingdon hospital, Brantford, Ontario.

Medical officer, grade 5, (internal medicine), Charles Camsell Indian hospital, Edmonton, Alta.

Medical officer, grade 5, (paediatrics), Charles Camsell Indian hospital, Edmonton, Alta.

Medical officer, grade 3. Vacancies various locations in Canada.

Medical officer, grade 10, northern health services, Ottawa.

Dental surgeons. Vacancies various centres in Canada.

2. Salaries offered depended on the grade of the position advertised. Appointments of medical officer, grade 3, were made at a starting salary of $6,420 per annum; medical officer, grade 5, $7,000 per annum; and medical officer, grade 10, $9,500 per annum.

The competition for dental surgeons, grade 2 has not yet been completed but it would appear that there will not be a sufficient number of qualified applicants to fill vacancies which exist. Appointments will be made at a salary of $5,940 per annum.

3. A total of 43 applications was received for two medical officer, grade 5 vacancies, medical officer, grade 3 (Lady Willingdon) and medical officer, grade 10. These competitions were held to fill individual vacancies. There were 11 applications in the competition for dental surgeons, grade 2, and 20 applications in the competition for medical officer, grade 3, with vacancies at various centres in Canada.

HOUSE OF COMMONS

Wednesday, February 8, 1956

The house met at 2.30 p.m.

CRIMINAL CODE

AMENDMENT RESPECTING POLLUTION OF INTERPROVINCIAL RIVERS

Mr. J. G. Diefenbaker (Prince Albert) moved for leave to introduce Bill No. 66, to amend the Criminal Code (nuisance).

Motion agreed to and bill read the first time.

STARRED QUESTIONS

SOMASS RIVER, B.C., HYDRO PROJECT

Question No. 9—**Mr. Barnett:**

1. Has the Department of Fisheries been informed of plans by the British Columbia power commission to initiate a hydroelectric project on the Somass river system, Vancouver island, British Columbia?
2. If so, have plans of this project been submitted to the department in sufficient detail to enable a full assessment of its effect on the sockeye salmon run to this river system?
3. Has any conclusion been reached as to whether or not this sockeye run would be adversely affected?

Mr. MacNaught: The answer to the first part of this question is that departmental officials on the Pacific coast have learned unofficially that the British Columbia power commission is contemplating the development of hydro power on the Somass river.

The answer to the second part of the question is that no details of the project have been submitted as yet to the department. And the answer to the third part of the question would therefore be "no".

SOURIS RIVER DAM, SASKATCHEWAN

Question No. 10—**Mr. McCullough (Moose Mountain):**

1. Has application been made to the international joint commission by the government of Saskatchewan or any agency thereof, in connection with the proposed construction of a dam on the Souris river, south of Estevan, Saskatchewan?
2. If so, will the minister inform the house of the progress which has been made with respect to the studies surrounding this application, and recommendations of the commission?

Mr. Martin: As the Secretary of State for External Affairs has had to go to the airport with the Prime Minister to extend a farewell to the British Prime Minister and his foreign secretary perhaps I may be permitted to give the replies to this question. The reply to No. 1 is that an application dated May 30, 1955, has been made to the international joint commission by the province of Saskatchewan for the proposed construction of a dam south of Estevan on Long creek, a tributary of the Souris river.

The answer to the second question is that the Saskatchewan application is one of several applications now before the international joint commission covering projects in the Souris river basin which have been submitted for the approval of the commission. Hearings on these applications were held by the commission in September in Manitoba, Saskatchewan and North Dakota. The matter of these applications has recently been discussed by the commission in its executive session held in January in Toronto. No report, as yet, has been presented to the government of Canada or to the government of the United States.

QUESTIONS PASSED AS ORDERS FOR RETURNS

FN RIFLES

Question No. 8—**Mr. Dinsdale:**

1. Is the FN automatic rifle being manufactured in Canada? If so, by whom, and in what quantities?
2. Is the Canadian brigade in Germany equipped exclusively with the Canadian-manufactured FN weapon? If not, from where else does it obtain the weapon and in what quantities?
3. Has the Canadian brigade in Europe experienced any malfunctioning difficulties with (a) the Canadian-manufactured FN rifle; (b) the FN rifle obtained from other sources? If so, what is the nature of the difficulty?
4. Does Canada supply the FN rifle to any other countries? If so, what countries and in what quantities?

Mr. Pinard: I would ask that this question be made an order for return which I understand will be tabled later this day.

MENTAL HEALTH—FINANCIAL ASSISTANCE BY FEDERAL GOVERNMENT

Question No. 13—**Mr. McCullough (Moose Mountain):**

1. What financial assistance has the federal government made toward mental health to the various provinces for the years 1945 to 1955?
2. What other contributions, if any, are made by the federal government in connection with mental health?

Mr. Martin: Mr. Speaker, I wonder if this could be made an order for return, as

the information would be very extensive and take quite a number of pages?

Mr. Speaker: Order for return.

MENTAL ILLNESS STATISTICS

Question No. 34—**Mr. Dinsdale:**

1. What has been the expenditure by each province, in the care of the mentally ill for each year since 1950?
2. What proportion of this cost was borne by the federal government?
3. How many mentally ill patients have been registered in Canada each year since 1950, in each province?
4. How many psychiatrists have been employed in hospitals for the mentally ill in each of the provinces for each year since 1950?
5. How many psychiatric social workers have been employed in hospitals for the mentally ill in each of the provinces for each year since 1950?

DEMONSTRATION AIRPLANES FROM IRON CURTAIN COUNTRIES

Question No. 65—**Mr. Starr:**

1. Were any airplanes manufactured behind the iron curtain allowed to enter Canada for demonstration or sale purposes during the year 1955?
2. If so, (a) how many; (b) by whom were they brought in?

SUMMER EMPLOYMENT OF STUDENTS BY FEDERAL GOVERNMENT

Question No. 77—**Mr. Boisvert:**

1. How many students were employed by the federal government, during the summers of 1950, 1951, 1952, 1953, 1954, 1955?
2. What was the average earning of the students when at work and how many weeks or months were they employed during those years?

HEART RESEARCH AND CENTRES

Question No. 83—**Mr. Campbell:**

1. How many heart centres have been established in Canada, and how long have they been in operation?
2. What is the total amount of grants made by the federal government for heart research to date, by provinces?

TAXES ON AUTOMOBILE TIRES AND ACCESSORIES

Question No. 100—**Mr. Bryson:**

1. What was the amount of money collected by the federal government from sales and excise taxes in 1951 and 1954 on (a) automobile and truck tires; (b) other automobile and truck accessories?
2. What amount of money was collected by the federal government from customs duties levied on foreign cars and trucks sold in Canada in the years 1951 and 1954?

COMPANY DIRECTORS—CABINET MINISTERS

Question No. 106—**Mr. Knowles:**

1. Are any cabinet ministers now directors of any companies, corporations, etc.?
2. If so, which ministers, of what companies or corporations, and what date were any directorships presently held by cabinet ministers assumed?

[Mr. Martin.]

3. Have any cabinet ministers resigned any directorships since being sworn of the privy council?
4. If so, which ministers, on what dates and from what companies or corporations?

NATIONAL GALLERY—PAINTINGS PURCHASED

Question No. 80—**Mr. Murphy (Lambton West):**

1. How many paintings have been purchased by or for the national art gallery of Canada in the last 20 years?
2. Who were the artists, what were the names of the pictures and the price paid for same?
3. How many of these paintings have not been shown to the public for a period longer than a few months since their purchase?
4. Of these, what are the names of the artists, the names of the paintings and the price paid for such paintings?
5. If paintings were stored in the vault and not shown to the public, what was the reason?

Mr. Pickersgill: Mr. Speaker, I wonder if question No. 80 could be made an order for return and if the hon. member for Lambton West would permit one modification in the second part of that question, which asks:

Who were the artists, what were the names of the pictures and the price paid for same?

There is no objection to giving the price paid for all the pictures bought in each year, but for obvious reasons it has never been the practice to give the prices paid for individual pictures. With that modification, I would be very glad to bring all the information down.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

NATIONAL DEFENCE

WEST GERMANY—MAINTENANCE OF CANADIAN TROOPS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister been advised of any change in policy by the government of West Germany regarding that government's contribution towards the maintenance of Canadian troops in Europe? If so, would the minister make a statement on the situation?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I thank the hon. gentleman for giving me notice of his intention to ask this question, which I received just as I was coming into the house. The only information I have as yet is the dispatch contained in the newspapers. This is a very important matter, as I am sure we all realize, and I would prefer not to comment until we have official confirmation of the position.

Mr. Pearkes: Will you make a statement at a later date?

Mr. Campney: Yes, when I am in a position to do so.

REFERENCE TO ACCIDENT AT BRAMPTON, ONTARIO

On the orders of the day:

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, a couple of days ago the hon. member for Peel inquired about the regrettable aircraft accident which happened near Brampton on February 5 last. Specifically, he asked whether the pilots who were killed were practising forced landings.

In reply I would point out that these two officers were members of the Royal Canadian Air Force primary reserve carrying out training in an aircraft owned by the R.C.A.F. but on loan to, and operated by, the Toronto Flying Club under civilian licence.

As the aircraft is under civilian licence, the investigation of the accident is being carried out by the Department of Transport. However, preliminary information indicates that the officers concerned were practising forced landings for which they had been duly authorized in accordance with the refresher flying training plan in which they were participating.

For the information of hon. members perhaps I might add that the refresher flying training plan is designed to maintain a pool of approximately 600 primary reserve officers as basic flying instructors who can be available in an emergency to assist in the rapid expansion of air force training capacity.

COMBINES INVESTIGATION ACT

TRANSMISSION EQUIPMENT—ACTION TO BE TAKEN CONCERNING ALLEGED COMBINE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Justice if his department has yet reached a decision with respect to the prosecution on the basis of the report of the restrictive trade practices commission of an alleged combine in manufacturing, distribution and sale of transmission and conveyor equipment?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer is no. The report was submitted for the advice of counsel to Mr. D. W. Mundell, Q.C., of Toronto, about three weeks ago, and we have not yet had an opinion from him.

PULPWOOD AND PAPER—PROGRESS OF INQUIRY

On the orders of the day:

Mr. Auguste Maltais (Charlevoix): I should like to ask the Minister of Justice a question. Would the minister care to comment on what progress has been made with respect to the investigation under the Combines Investigation Act into the alleged price fixing of pulpwood in the pulpwood and paper industry?

Hon. Stuart S. Garson (Minister of Justice): I wish to thank my hon. friend for having given me notice of his question. The answer is that the inquiry in question is proceeding in the usual way, but until I receive a report from the commission I am not in a position to report to the house.

TRADE

EXPORT OF MILITARY SUPPLIES TO UNITED STATES

On the orders of the day:

Mr. A. J. MacEachen (Inverness-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Does the dominion bureau of statistics issue under his authority a publication known as *Trade of Canada*, giving full details of the value and destination of all products exported from Canada? If so, does the issue for December, 1954, disclose the export from Canada during the calendar year 1954—

Mr. Fleming: Order.

Mr. MacEachen: —of aircraft, aircraft parts, cartridges for guns, rifles, etc.,—

Mr. Speaker: Order. The hon. member is now putting a very lengthy question in which I am afraid he is giving the house much more information than he intends to ask for. Would the hon. member be good enough to put his question.

Mr. MacEachen: Yes, Mr. Speaker.

Mr. Nowlan: Order paper.

Mr. MacEachen: Does the December, 1954, issue of the publication, *Trade of Canada*, include exports of aircraft and aircraft parts, etc., in the value of $81 million conforming to the figure given yesterday by the Leader of the Opposition? What proportion—

Mr. Speaker: Order. It is obvious that the hon. member has looked at the report and knows that the information is there. Why should he ask that it be confirmed in the house?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I suggest that is quite a legitimate question.

Some hon. Members: Oh, oh.

Mr. Fleming: The authority on legitimate questions.

Mr. Speaker: It amounts to the same thing as if the hon. member, after perusing the

public accounts tabled in the house, had asked the Minister of Finance to confirm whether so many items are contained therein. This is a printed publication available to the public and I presume it is available to any hon. member who wishes to look at it.

Mr. Howe (Port Arthur): Mr. Speaker, I suggest to you that these figures can be misused.

Mr. Speaker: Order.

Mr. Goode: May I ask a supplementary question? I have not seen the report and I should like to ask the Minister of Trade and Commerce—

Some hon. Members: Order.

Mr. Speaker: The hon. member should go to the library and ask for a copy of the report.

Mr. Knowles: Take the Minister of Trade and Commerce with you.

Mr. Martin: You do not want the truth.

[*Later:*]

Mr. MacEachen: Mr. Speaker, may I direct to the Minister of Trade and Commerce an abridged question which I hope will meet with your approval. What proportion of the $81 million of exports mentioned yesterday were directed to the United States?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The hon. member was good enough to give me notice of his question, and the answer is 94 per cent.

Mr. Drew: To assist the minister, Mr. Speaker—

Some hon. Members: Question, question.

Mr. Speaker: Order. Does the Leader of the Opposition have a question to ask?

Some hon. Members: No.

Mr. Drew: Will the Minister of Trade and Commerce explain to the house that none of this had anything to do with the arrangements between the NATO countries for the mutual shipment of arms?

Mr. Howe (Port Arthur): The shipments to the United States, Mr. Speaker, had to do with an arrangement made with the defence department of the United States, by which Canadian purchases of armaments in the United States would be offset by United States purchases placed in Canada. Our purchases from the United States of armaments were somewhat larger than the figures referred to as our shipments to the United States.

Mr. Drew: The minister did not answer the question. I would point out that it is quite—

[Mr. Speaker.]

Some hon. Members: Order.

Mr. Speaker: Would the Leader of the Opposition be good enough to put his question.

Mr. Drew: Is the minister aware that on page 6 of *Trade of Canada*, a record of the dominion bureau of statistics which is under his department, it is stated that none of these shipments referred to transfers under the Defence Appropriations Act, and that the exports under the Defence Appropriations Act—

Some hon. Members: Question.

Mr. Drew: —in 1954—

Some hon. Members: Order, order.

Mr. Drew: —were $202 million.

Mr. Speaker: As I quite properly pointed out a moment ago, the purpose of question time is to seek information and not to read documents that are public. I realize the position of the Leader of the Opposition, and a moment ago I tried to offset what I considered to be something that would become a debatable matter. I do hope we will return now to the question time.

Mr. Drew: I was really trying to find out whether the minister knew the facts or was trying to mislead the house.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of Labour. Is the minister in a position to make a report to the house on the success or otherwise of the revision of the interpretation of the Unemployment Insurance Act, concerning which he made an announcement two weeks ago, with reference to qualifications for benefits? Has it been successful and can he say how many persons have benefited by it to date?

Hon. Milton F. Gregg (Minister of Labour): No, I am not and I do not expect to be for some little time to come. It will take some weeks yet to carry out the program I outlined to the house the other day.

Mr. Knowles: Perhaps the minister will be able to give that information by answering a set of questions of mine which will be found on the order paper.

CRIMINAL LAW

INQUIRY AS TO REPORT OF ROYAL COMMISSION RESPECTING CRIMINAL SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Justice. Can the minister tell us how soon the report of the royal commission now studying the problem of sex offences will be completed?

Hon. Stuart S. Garson (Minister of Justice): Inasmuch as my hon. friend did not give me notice of his question I suggest that I take it as notice.

HOUSE OF COMMONS

ALLEGED REFUSAL BY MINISTER TO ANSWER QUESTION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I should like to direct a question to the Minister of Citizenship and Immigration. Can he inform the house on what grounds there is a refusal to give the price paid for individual pictures as he did refuse in answer to a question today?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I am not aware that I refused anything. I asked concurrence of the hon. member for Lambton West to a modification in his question and I understood him to nod and give that concurrence.

Mr. Murphy (Lambton West): Mr. Speaker, if I may say so at this time, I did not give concurrence.

Mr. Speaker: I do not think we should now revert to a matter that was dealt with before the orders of the day were called. I stood up and I said "Is it agreed?". Not hearing any objection I took it that it was agreed and I called the orders of the day. We are now dealing with the orders of the day.

DISABLED PERSONS

INQUIRY AS TO REPORT OF NATIONAL ADVISORY COMMITTEE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to ask a question of the Minister of Labour. Can he tell us when we might expect to have copies of the report and recommendations of the national advisory committee on the rehabilitation of disabled persons?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I am constantly getting reports from that committee. Perhaps my hon. friend would tell me to which report she refers.

Mrs. Fairclough: I refer to the report which I understand was finished a couple of days ago. I just wondered how long it might take for it to be processed and to be printed for the use of members of this house.

Mr. Gregg: The report referred to was a report of a subcommittee of the national advisory committee. That subcommittee indicated that they would like to make their report back to the main committee.

CANADIAN NATIONAL RAILWAYS

ST. LAWRENCE SEAWAY—INQUIRY AS TO DISPOSITION OF PROPERTY

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to direct a question to the Minister of Transport, if I may. I wonder if he would consult with the heads of the Canadian National Railways with a view to seeing that the C.N.R. property on the St. Lawrence seaway is not disposed of at a fraction of its value.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am afraid that I do not understand the hon. member's question. However, I shall read it in *Hansard* tomorrow and see what answer should be given.

Mr. Murphy (Lambton West): I can give you full particulars. I have done it before.

[*Later:*]

Mr. Murphy (Lambton West): I should like to direct a supplementary question to the Minister of Transport. When he is making his inquiries, I wonder whether he would ascertain whether within the last two or three years the Canadian National Railways sold property other than in my area to defeated Liberal candidates?

Some hon. Members: Oh, oh.

POTATOES

INQUIRY AS TO GOVERNMENT ACTION FOLLOWING REPORT OF TARIFF BOARD

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Finance. Would the minister indicate whether any action has been taken respecting the tariff on potatoes subsequent to the report by the tariff board on November 5 of last year? If so, is any further action contemplated? Would the minister please explain?

Hon. W. E. Harris (Minister of Finance): The report of the tariff board on potatoes was an extremely comprehensive document and was the result of a hearing before the tariff board which occupied considerable time. When we

realized that, we felt that it would be proper to consult with both the applicants before the board and the various governments concerned. We therefore wrote to the ministers of agriculture in all those provinces which are particularly interested in potato growing and marketing, to the Canadian Federation of Agriculture and to the Canadian Horticultural Council, inviting them to come here and discuss the report. I think they will be here on Friday and Saturday of this week.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

The house resumed, from Friday, February 3, consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Mr. Castleden: When this debate was adjourned I was dealing with the reasons why we were opposing this legislation as a means of correcting a very serious cash shortage situation in the prairie regions. At that time I pointed out the scheme was impracticable as a measure to get cash into the hands of the farmers who needed it most.

I maintain it was unjust and wrong in principle to ask those people who had spent their time during the year in producing grain and then, because of the policies of this government, were unable to deliver it, to assume a further burden of debt, and to carry on top of that a further interest of 5 per cent on the loan.

The Manitoba farmer who blasted his television set in a moment of righteous indignation expressed the feelings of the prairie farmers in a very real manner. What he is reported to have said on that occasion exemplifies exactly what the producer thinks. He is reported in the Winnipeg *Free Press* of February 3 as having said:

That man Tucker! Does he think I am going to work all year and then pay interest to the banks on my whole summer's work?

That is exactly how the farmer looks at this legislation. For that reason we maintain it is unjust and wrong. The Minister of Agriculture (Mr. Gardiner) says that he is supporting it, and that the legislation does exactly what it was intended to do. Well, a few farmers may be compelled to pay the 5 per cent interest. A very small percentage of the farmers may be able to qualify. Under the pressure of debts against them they may go to the banks and, if they qualify, assume an extra burden of debt, but I can assure the minister and those who are supporting this legislation that the farmers do so with a great deal of disgust, and they feel the injustice of it.

The difficulties of the situation are very real. I have a letter from one of the producers in my own constituency. He writes:

On January 11, 1956, we delivered our first load of grain since December 22, 1954.

It is over a year since he had been allowed to deliver any grain at all. Many farmers are in the same position, particularly if they had decided that they were not going to deliver the grain except to an elevator which they owned. The farmers' requests have been very clear. If the minister or anybody else assumes that the farmer has been asking for anything else, he is entirely wrong. They made their requests very clear. They asked for cash advances on the grain which is properly stored on the farm. It could be inspected by people who know how to inspect it. It could be graded; it could be sealed up and the advance noted in their permit books so that they would be absolutely sure that they could not deliver without repaying the advance which they had obtained. Surely there is a minimum of justice in their request.

For anyone to agree with this legislation is to agree with what the leader of the Liberal party in Saskatchewan termed it. It is something useless, as he described it. It is like voting for a stirrup pump in fighting a forest fire. As a matter of fact, the producers there look upon it as a deliberate insult. It reveals a callous disregard for those people who have been placed in the difficulties in which they find themselves today by the policies and the administration of the government opposite. The failure to sell the grain, the failure to provide the means for transporting this grain out of the elevators, have been the two things which have brought about the situation that exists at the present time. Here they are with their bins loaded. Many of them have not even room in their bins for all the wheat. They are still sitting there completely unable to get anything in the way of money to carry on their businesses or to pay any of the cost of operation of the past year.

I was speaking the other day of the difficulty that a person from the prairie region has in letting the people of eastern Canada know what some of the difficulties are out there. I went to the net farm income of the

dominion bureau of statistics and found that the reports for the past three years gave the net farm income in 1954 as compared with 1952. The figures for 1955 are not out yet but the trend is exactly the same. The following are the decreases in net farm income for the eastern provinces from 1952 to 1954:

Maritime provinces	19 per cent
Quebec	3 per cent
Ontario	15 per cent

When we come to the prairie provinces we find these figures:

Manitoba	54 per cent
Saskatchewan	77 per cent
Alberta	50 per cent
British Columbia	10 per cent

Those figures reveal why it is the farmers in the west are disturbed about the situation when after another year of decrease in their income they find themselves with an abundant crop of good grain which they are unable to deliver.

It is in the face of the unqualified refusal on the part of the government to give consideration to the payment of cash advances against properly stored farm grain that we make the protest we are making. We are going to continue to make that protest.

To add insult to this refusal to make cash advances on properly stored farm grain, similar to what has been done in the United States for years, we have the Minister of Trade and Commerce saying that those people who recommend such cash advances are enemies of the wheat board method of delivering grain. Then we have the Minister of Agriculture who comes from that area, and who should know what the situation is, saying that the bank loan system will do what it was intended to do. What it is intended to do is to put the producer deeper into debt. It must be that because that is exactly what is going to happen, there will be another burden of interest placed upon his back.

What do we suggest should be done under the circumstances? We say that the farmers should be given advances on properly stored farm grain. This job is too big for the banks to handle and we suggest that since the elevator agents under the arrangement proposed by the government are going to be asked to collect the grain and thus pay off the loan they should be allowed to recommend the advances.

The elevator agent is the one who knows the farmer well. There are far more of these agents throughout the west than there are bankers. Many farmers are some distance away from the bank and they possibly cannot get out to the bank, but all farmers haul their grain to the local elevators. They know the elevator agents personally because they do business with them. The elevator agents know the farmers and they could even visit the farms to grade the grain and see that it is properly stored. If necessary they could place seals upon the granary doors. They could enter the details in the permit book which is in the elevator, and when the farmer is allowed to deliver his grain, that could be deducted from the cash advance. The producer would thus be enabled to carry on his operations.

Next I would suggest to the minister that he get his box cars into operation and clear up the congestion that exists. Box cars should be placed across Canada to do the job they are intended to do, that is to carry grain from the small delivery points to the space available in the elevators.

On Monday of this week the house had the privilege of listening to Sir Anthony Eden, Prime Minister of Great Britain. Sir Anthony made a statement which should have been listened to closely by the members of this house when he said:

> Economic weapons may take the place of military ones. But always our purpose must be the same; to maintain the right that men's minds may be free and the care that their bellies be filled.

Sir Anthony told the government and this country that the economic weapons of today may replace military weapons. We have a government here which is ready to spend $2,000 million a year on defence and military weapons, but not one-tenth of that for economic production. This government is ready to administer the affairs of this country so that money is spent on military weapons to provide profits for industry in the heavily industrialized areas where prosperity is maintained, but little is spent on those who are producing the economic weapon of food for a hungry world. While the rest of Canada enjoys prosperity, agriculture, which represents about 20 per cent of the population of Canada, must be satisfied with slightly over 8 per cent of the national income.

The government is sponsoring this resolution and the bill to follow, and the official opposition have declared that they are going to support it. The Social Credit party have indicated that they are going to support it, although somewhat reluctantly. The 23 members of this party cannot hope to prevent the passage of the legislation, but we do urge the opposition parties to support us in our fight against a piece of injustice, a piece of useless legislation which will accomplish little more than to add an increased debt burden to those who are doing this job of producing. We oppose it in principle and it is clearly our duty to fight against it. Certainly I can say to the committee that we will never support it.

Grain

Mr. Drew: Mr. Chairman, I rise to deal with a matter which I attempted to place before the house on an earlier occasion this week, but as it was pointed out to me that there would be another opportunity, I am availing myself of this opportunity as I indicated I would. In the Winnipeg *Free Press* of February 3 was an article on the editorial page dealing with the debate in the house on this subject. It was headed "Farm Loans Debate at Ottawa" and then followed in capitals, "One Solution Overlooked". The article then went on to suggest that the solution overlooked was the proposal for the payment of cash for wheat actually on farms.

I started to point out earlier that this was entirely contrary to the facts. As it was indicated at that time that I could not proceed with the matter, I intend now to place on the record exactly what is the situation. This article, which would be read extensively in western Canada where this subject is of utmost importance, contains statements to which I should like to refer, one being:

> It is a curious fact that so far no party has advocated payment by the wheat board on the farm—that is, neither lending nor advancing money but making a partial payment on the farm.

Later in the same article these words appear:

> The loans or advances proposed alike by the Liberal, Conservative and C.C.F. parties would be repayable by farmers in cash.

I realize that those who are dealing with the debates in this house must find it difficult to follow every detail, but most certainly this article is entirely inconsistent with the facts. For that reason, and because this subject is so important, it does become necessary to place side by side with that statement what has already been said, and said without any uncertainty. An added reason why this becomes necessary is that the Minister of Justice took it on himself to enlighten his own constituents by a letter to the Minnedosa *Tribune*. He was discussing this proposal by the government which is now under consideration. He tried to throw a smoke-screen around the debate that has been taking place here and he sought to convey an inaccurate impression of what has been said in this house. Whatever excuse may be offered on behalf of the writer of an article of this kind, such an excuse does not apply to a member of the house who sits here and knows perfectly well what the facts are. This statement was contained in the letter of the Minister of Justice to the Minnedosa *Tribune*:

> This is a much more beneficial arrangement for western wheat farmers than any small difference there might be between bank loans at five per cent and a slightly lesser rate of interest on advances made by the wheat board.

That is the line that is being followed in attempting to becloud the issue. The suggestion is being made and, undoubtedly, innocently picked up by others who are not so directly acquainted with the facts, that it is simply a difference of the method by which the loans will be advanced and repaid. That, of course, is not the situation. Not at the beginning of this debate, nor even during the recent months that have passed, but very much earlier, we advocated that there should be legislation on the statute books under which it would be possible to make cash payment for wheat stored on the farm at any time when the elevator space to absorb that wheat was not available. I made that specific proposal, as I have mentioned on other occasions, on December 17, 1952. I am not going to suggest that others may not have made that on earlier occasions. I do say it is a matter of record in *Hansard* that on December 17, 1952, I advocated without any reservation that there should be placed on the statute books legislation which would make it possible to pay cash for grain stored on the farm where that grain could not be taken over by the elevators which would ordinarily provide not only the storage but the payments.

I indicated then, as I have indicated since, that we are dealing with an abnormal situation and that the farmer has no place to look to but the government for the grain he produces, under the laws and regulations as they now stand. Because of the attempt to create the impression that it is only a question of which kind of loan and the amount of interest that is involved, it does become necessary to recall what has been said during this present session. The fact that it was said so short a time ago makes it doubly difficult to understand why anybody should be so confused about what has taken place in this house, and particularly a minister of the crown who has been following a subject. This was what I said on January 12, 1956, and this session opened only on January 10. I quote from my remarks recorded at page 40 of *Hansard:*

> The banks are not in a position to carry out any system of cash payments. There was a perfectly simple method, and that was to make cash payments as advances on the quota book in the ordinary way in relation to a stated quota of the grain grown last year, and then to have the grain made deliverable upon demand as soon as space became available in the elevators. No real difficulty presents itself in connection with that. The elevators are strategically situated to absorb the grain; the elevators have the staff to do the job. The elevators could have handled it satisfactorily under a system that would have been simple and that would have involved no serious difficulties of any kind.

Then I discussed the responsibilities of the government in regard to this matter, and on page 41 of *Hansard* I am reported as saying the following:

I have made certain proposals and I repeat them now. One: Provision should be made for immediate cash advances in the ordinary way on the quota book by the wheat board for farm-stored grain on a quota basis, making an initial payment thereon as if the wheat had been delivered to the elevator. The wheat would then be delivered on demand by the farmer as elevator space became available.

Two: Low-grade wheat now occupying elevator storage space while high-grade wheat cannot be stored should be sold for feed grain in Ontario, Quebec and abroad. This would provide elevator space for a good part of last year's high quality crop.

Three: The government should recruit top-flight salesmen from Canadian business concerns who would plan an aggressive selling policy for Canadian wheat and give advice as to long-term selling policies.

Four: The government should refer the whole problem of the handling and sale of Canadian wheat and its relationship to the Canadian economy as a whole to the Gordon commission on Canada's economic prospects and ask for an early interim report as well as a more complete report later on.

Five: The government should take immediate steps to assure the full use of all elevator space.

Those were the specific proposals made at that time. They were definite; they were clear; they were not subject to any qualifications. Since that time, in the discussion which has taken place, I have emphasized the vital importance of a statement by the government at this time as to what its policy is going to be, not only in regard to this immediate problem but in regard to the crop that will be grown in 1956. I have pointed out that not only are we concerned with the immediate and urgent problem confronting so many farmers in western Canada at this time but that these farmers very shortly will be called upon to ask themselves what they are going to do about seeding for the coming year. It is the duty, it is the urgent obligation of this government, not only to the farmers of western Canada but to all Canadians, to say now what they are going to do about the 1956 crops. Otherwise we may have a gravely aggravated situation infinitely worse even than that which exists today.

The government can have no excuse. Not only from ourselves but from members of other parties in this house, although not from the government side, has come the demand that there be a clear statement in regard to the policy that will govern our farmers in their seeding and in the planting of their crops for the current year.

Now I should like to deal with another matter. I pointed out that there is a vital and fundamental difference between this problem and the problem that confronts many other agricultural producers. It is very natural for the potato grower in Prince Edward Island, in New Brunswick or elsewhere to say to himself that he faces an even more urgent problem. In some ways in regard to his own farming he does. He has a perishable crop. He has a crop that cannot be held in the same way. The farmer who is relying mainly on potatoes faces a real crisis. The same can be said of the apple grower. The same can be said of other agricultural producers. But I pointed out that there is a difference. These problems must be dealt with. It is the responsibility of the government to face up to these problems.

In the case of the western wheat grower, however, there is a particular aspect to the problem which makes it a different problem and one for which every member of parliament must accept responsibility. We are accepting that responsibility by urging the government to act now in a practical, sensible way in order to meet the immediate requirements and also to state their policy for the current year so that the farmers may know where they are at in planning their seeding for the current year.

We have also urged, as it is our duty to do, certain specific things with regard to the long term problem as well. In order that other Canadians not living in the prairie provinces and not directly affected by this may understand why this problem is different and why there is a special obligation on the part of the government to take appropriate steps with respect to the situation, I said this, as recorded at page 608 of *Hansard* of January 27 of this year:

One of the things which should be borne in mind, without in any way debating all the questions that may arise as to details of operation and otherwise, is the fact that the government says by law "this is our grain", which makes them in effect the owners of that grain the moment it is harvested. I emphasize that point. In effect the moment the wheat is harvested the government becomes the owner of the grain. There is no other purchaser. The wheat farmer has been permitted to assume, and with reason, that the wheat would be taken up appropriately year by year so that from this grain, which must be delivered to the government agency, he would get an adequate return on the basis of a quota per acre at the initial price fixed by the board, and that this amount would then be handed to him as a cash advance on his quota book.

Our argument, and we have put it forward for some considerable time, not just in the last few months, is that the government alone can take the wheat and the government is already in fact the ultimate owner and by law can be the only owner in the end when it is sold.

That is the crux of this whole problem, Mr. Chairman. The government has said: You can only sell to us. The government has implied: You can look to us for an adequate

return. Any other interpretation would be meaningless, would be senseless. Unless and until the government is prepared to say that some other policy applies, it is reasonable for the farmers of western Canada to expect that they would get an appropriate cash payment for their grain. When the government has failed to take the necessary steps to clear the elevators, that is all the more reason why the government must provide a cash payment to the farmer on his farm for the grain which in fact can only be sold to the government.

It is not open to question that there is over 100 million bushels of elevator space in this country at the present time where grain could be absorbed if the government took real action with respect to this matter. It is not open to question that certain things could have been done under the authority of the government to move out lower quality grain and make way for the high quality grain which is marketable at all times with appropriate sales efforts in the markets of the world.

These are the things we have put before the house. I have only re-entered the discussion in the committee stage to correct the most inaccurate impression that was conveyed, I am sure innocently in the case of the writer of the Winnipeg *Free Press* but I am certain not so innocently by the Minister of Justice.

Mr. Murphy (Westmorland): Mr. Chairman, I rise this afternoon to take part in the debate on the resolution because I feel every Canadian is interested in the problems of the wheat growers of western Canada. This is my third session sitting as a member on this side of the house, and I have been thoroughly indoctrinated in the intricacies of the wheat problem. As a member of the standing committee on agriculture I have had further instructions respecting wheat.

When speaking to the house the other day the hon. member for Saskatoon referred to the Liberal backbenchers, and goodness knows we have been called everything you can imagine, rubber stamps and so on. In referring to the majority here he said that it was so large that he could not keep track of it and that it would never do for three members on the government side to get up and vote for something which would be for the good of the wheat farmers of Canada because the government might be defeated. It is a debatable point as to what is for the benefit of the wheat growers of Canada, but I believe this resolution is and that is why I am supporting it.

As the member for Westmorland I do not know of any constituency outside of the prairie provinces that is so greatly affected by the wheat situation. When wheat does not move to the winter ports we suffer greatly through the reduction of the number of men required by the C.N.R., and when it moves through as it is doing now we experience a small local boom. I of course am not a wheat expert but I have listened to wheat growers here. In fact, from the opposition benches I have listened to school teachers and assorted professions as well as the usual platoon of Tory colonels and assorted brass who are experts on everything. As an eastern barrister I therefore feel I have a right to speak on this question.

I also represent a great number of real farmers who are on their farms the whole year round and who do not get their milk from the nearest city. I should like to point out to some of these representatives of wheat producers that farming did not originate in the prairie provinces. I have here a paper, the *Maritime Farmer*, which is in its 61st year of publication. It was first published about 11 years before the prairie provinces were carved out of the west.

Mr. Knowles: Manitoba is older than that.

Mr. Murphy (Westmorland): I think the guarantee of loans to western wheat producers should be of assistance to them. I know that the farmers of New Brunswick would like to have the same guarantee. Of course I am often told that we do not have farmers because our farms are much smaller and that when we are dealing with the question of guaranteeing loans to western wheat producers we are dealing with a different type of producer than in eastern Canada.

The farms out west are as big as entire foreign countries. Speaking here in the House of Commons the other night the hon. member for Macleod stated that in his riding there were some farms that were as large as the state of Israel. I have heard members of the C.C.F. party who view with alarm the conditions of the wheat producers. I have heard other farmers from the west who tell us that the western wheat producer is not badly off. What is the socialistic government of Saskatchewan doing to assist the western wheat growers? I do not know. They may be doing something. Perhaps later on in the debate we shall be told.

Mr. McCullough (Moose Mountain): Plenty.

Mr. Murphy (Westmorland): There must be provincial loan institutions that the Saskatchewan government can guarantee loans of, in just the same way as the federal government proposes to guarantee the loans to farmers at the chartered banks. For a while in this debate the hon. member for Bow River

criticized the action taken by the government in guaranteeing these loans, and then he said that he would support it. I know that in Alberta the farmers would prefer to have loans guaranteed at the chartered banks because they would sooner have real money than funny money.

Mr. Blackmore: That is a nonsensical remark.

Mr. Quelch: Is the hon. member aware of the fact that the farmers' organizations have asked for cash advances?

The Deputy Chairman: Order.

Mr. Murphy (Westmorland): I have the floor and I intend to keep it because if the wheat growers get it they certainly will not give me the chance to finish.

Mr. Quelch: Do not make silly statements.

Mr. Murphy (Westmorland): Another point that I think the C.C.F. should take into consideration in the guaranteeing of these bank loans to the farmers is that last year in this house we listened to a debate on the nationalization of banks. If this proposal—the government's guaranteeing bank loans to the wheat growers—is not the first step towards the nationalization of banks, if not I do not know what is, and therefore I think they should applaud it.

Mr. Quelch: Are you supporting nationalization?

Mr. Murphy (Westmorland): In this session I have heard people from the opposition benches criticize the selling of butter at 37 cents a pound and say that the government should have sold this butter to the Canadian consumers. Why do they not come up with the same suggestion on wheat? Why do they not suggest that the government buy the wheat and give it to the Canadian public at such a low rate that bread will be a penny a loaf? Why do they not attempt to wreck the domestic market on wheat as they did the domestic butter market? No, they do not suggest that. They suggest that we should have an increase in the price of domestic wheat.

Mr. Knowles: Is that your way of getting rid of the surplus?

Mr. McCullough (Moose Mountain): You do not know the difference between May wheat and Mae West.

Mr. Murphy (Westmorland): I have noted with amusement the enjoyment that the C.C.F. members have derived from an incident that was reported in the paper, namely the shooting of a television panel. Of course, no one understands why this western wheat producer would use a shotgun or scattergun on a 1½-foot target containing four members of the panel. One would have thought he would have shot everybody. Speaking of this incident the other day, the hon. member for Humboldt-Melfort—and I wonder whether he is summing up the mentality of the western wheat grower—said this, as reported at page 835 of *Hansard:*

> So all winter long this man nursed this great and burning sense of wrong. Then, almost at the breaking point, he had the great misfortune of seeing on television the hon. member for Rosthern in an extremely clumsy attempt to justify the government's bank loan legislation. I can imagine with what demon-like glee he reached for his shotgun and in one reckless moment had his revenge, satisfied at last that he had gained some kind of wild justice.

What does the western wheat producer want? Does he want wild justice?

An hon. Member: More shells.

Mr. Murphy (Westmorland): I have here in my hand a clipping from the Regina *Leader-Post* which contains an article from Saskatoon. It is headed "Mass march on Ottawa 'next step'" and reads in part as follows:

> A mass march on Ottawa was the next step unless the federal government heeded the demand for cash advances on farm-stored grain, parity prices and a more realistic export sales policy, Hazen Argue, C.C.F. M.P. for Assiniboia, warned in an address here Thursday evening.

Mr. Nicholson: What date was that?

Mr. Murphy (Westmorland): I have not the date but it appeared in the Regina *Leader-Post.*

I listened to the members of the opposition parties here all trying to say something that is going to please those western wheat growers, and all making a plea for the support of the western wheat producer. It seems to me that the western wheat producer in this case is the man who holds the big stick and of whom everybody is afraid politically. However, I cannot see the reasoning in this regard because we know that the judgment of the majority of the western wheat growers does not seem to be too good.

Mr. Knowles: Is that the Liberal opinion with respect to the judgment of the western wheat growers?

Mr. Murphy (Westmorland): Otherwise they would not send to Ottawa this large number of splinter party members; they would send more Liberal members.

Mr. Ellis: Liberals make good targets.

Mr. Murphy (Westmorland): We in this party are doing what is best for the western wheat producer. If the western wheat producers in these constituencies represented by the C.C.F. members would stop shooting

at their radio and television sets and would listen to what we have to tell them, I think we would soon have a large Liberal representation here from Saskatchewan. I think that this point should be gotten across to the wheat producers, namely that we are trying to do something for them. All this obstruction by the socialists is used only as a weapon to keep them dissatisfied in the west. Use is made of such expressions as "burning sense of wrong" and "march on Ottawa". As long as they can keep the wheat producers discontented, they feel that they will come back here to Ottawa. I have listened to these members pleading with the government. I will now make a plea to them. My plea is this: Let the government do something for the western farmers. Stop your obstruction and you will have contented wheat farmers in the west.

Mr. Nicholson: Mr. Chairman, I am sorry the hon. member was not in the house the other day when the Minister of Agriculture spoke. As reported at page 858 of *Hansard* the minister said this:

> I am sure we all agree that this is no question about which we can indulge in too much humour.

Mr. Ellis: Toe the line over there.

Mr. Nicholson: Mr. Chairman, I really have not any quarrel with the farmers down in Westmorland county, and I am sure that the hon. member who has just spoken will not go down to meet his farm people and compare what he has said this afternoon with what the western farmers are saying through their members in parliament. I want to establish the fact that, while we are probably more vocal than are the members from other farm communities in Canada, our situation is not more serious. But that should not muzzle us all. I wish the hon. member who has just spoken would take some time to find out the position of the farmers in Westmorland county and ascertain if they are satisfied with the share of the national income that they are getting compared with—

Mr. Murphy (Westmorland): No one is guaranteeing their loans.

Mr. Nicholson: —the share of the national income that is going to other sectors of the economy.

Mr. Ellis: The hon. member for Westmorland is satisfied with the government.

Mr. Nicholson: When the Minister of Trade and Commerce opened this debate, he spoke about the sales of wheat for the last five years and said there is no period of five years which comes within hundreds of millions of bushels of this record, and that is quite true.

[Mr. Murphy (Westmorland.)]

However, the minister did not say that for the same period farm costs had been at the highest level of any time in the history of Canada. The minister indicated that he was very well satisfied with sales. I am sorry that he and the Minister of Agriculture do not agree, and I am sorry that he does not take time to read his own statistics.

The last issue of Canadian Statistics Weekly, issued January 25, reached us last night or the night before. It points out that farm marketing of wheat in the period August 1, 1954 to 1955, was 126 million; this year 94 million; marketings of oats dropped from 45 million to 20 million; barley from 74 million to 49 million and rye from 7 million to 1 million. How can the minister say he is satisfied when farm marketings are dropping off at this rate?

Mr. Howe (Port Arthur): On a point of privilege, Mr. Chairman, I was speaking about export sales. I was not speaking about marketing. My hon. friend is speaking about marketings in the country and I was talking about export sales.

Mr. Nicholson: The minister said, as reported in *Hansard* for January 27, 1956, page 603:

> It is now evident, however, that sufficient sales will be made by the Canadian wheat board this crop year to enable farmers to deliver the equivalent of a better than average crop.

He went on to say the farmers would be able to deliver 320 million bushels. If the farmers are going to be able to deliver that quantity of grain it is time the minister got the trend moving in the other direction.

The hon. member for Assiniboia was good enough to lend me a copy of "Full Prosperity for Agriculture". This has been produced by a conference on economic progress. There is a very imposing list of about a dozen outstanding people in the United States who have worked on this project. On the cover there is a graph showing how the national income in the United States has been going up since 1951 and the farm operators' net income going down. In this book there are some charts showing the position of the United States farmer in their economy, and the farm income in the United States compared with the national income going to other sectors of the economy. While I cannot prove it I am sure that these United States figures are true of Canada. I shall have something to say about this a little later.

Although the minister who has sponsored this bill is in charge of the bureau of statistics he has failed to give directions to the bureau to make similar statistics available for Canada. Here is a chart showing the percentage of the people in the country who are

able to enjoy such comforts as electricity, running water and so forth. I am sorry the hon. member for Westmorland cannot take it any longer, but some of his neighbours—

Mr. Murphy (Westmorland): What is that?

Mr. Knowles: Welcome back.

Mr. Nicholson: I am glad to see the hon. member has come back. I should like the hon. member for Westmorland to look at this table which has been supplied to me by the bureau of statistics giving the percentage of Canadians who are able to enjoy these comforts, necessities for most people. This is for Canada. Only 56·2 per cent of the rural areas enjoy electricity; 75 per cent of the non-farm and 99 per cent urban; running water, 32 per cent farm; 46 per cent non-farm and 94 per cent urban; flush toilet, 20 per cent farm; 34 per cent non-farm and 85 per cent urban; installed bath or shower, 15 per cent rural; 27 per cent non-farm and 77 per cent urban; telephone, 44 per cent farm; 33 per cent non-farm and 71 per cent urban; mechanical refrigeration, 21 per cent farm; 30 per cent non-farm and 58 per cent urban.

Mr. Boisvert: What about television sets and cars?

Mr. Nicholson: I will come to that later. I ask members of parliament who have any farmers in their constituencies: Do they like to live in a country where only 20 per cent of them in the hundred years that Canada has been developed as a farming country now enjoy the luxury of flush toilets in their home? If there is any member in this house who believes that farmers should not have these modern conveniences, let him get up and say that we should be satisfied with the situation where so few of our farm people are able to go into the market and provide employment for plumbers and other people.

Mr. Murphy (Westmorland): Would the hon. member permit a question on those figures? Does he know that the percentage enjoying such facilities as flush toilets and running water is almost twice as high in New Brunswick as in the socialistic state of Saskatchewan?

Mr. Nicholson: If my hon. friend wants to make another speech, he will have another half hour when I am through. I am speaking about the rural areas, not the city.

This publication from the United States gives the information concerning the percentage of farm people in the United States getting less than $1,000 a year, less than $2,000 and different amounts. I thought this was valuable information to have, so I telephoned the bureau of statistics to get comparable information for Canada. I was advised that we have never compiled that sort of information in Canada. I was advised that it would cost some money to compile it and I know it would. I think it also costs some money to keep 20 per cent of the Canadian people in a position where they have no accurate information as to how rotten a deal they are getting in the country.

Now, in the United States in 1953 there were 10 per cent of the farmers who had an income of less than $2,000 a year. This suggests that there is a large sector of the population that should be in the market for the things which they want but which they cannot have. The other day I mentioned the fact that we have this information broken down for the non-farm sectors of our economy. I think it is interesting to find that in the non-farm sectors of the economy we have 34 per cent of the people who get less than $2,500, and we have 23 per cent who get less than $2,000. If we could put those two sets of statistics together, if we could have the percentage of farm people who are getting less than $1,000 a year, less than $2,000 a year, and face up to the fact that in the year 1956—

An hon. Member: Order; he is out of order.

Mr. Nicholson: Well, Mr. Chairman, if some of the backbenchers want to take over—

Mr. Studer: That is the speech you made last year.

Mr. Harris: On a point of order, I quite realize it is pretty nearly always desirable to let hon. members say what they will because they will speak 30 minutes and sit down, but it is a little difficult at this time to understand just what the remarks the hon. member is making have to do with the bill to provide loans on a voluntary basis to those farmers who wish to take them.

Mr. Nicholson: I am glad the Minister of Finance has intervened at this stage because one of the reasons this legislation is before us is that the Minister of Trade and Commerce (Mr. Howe) has admitted there is a problem; but it is obvious that the Minister of Finance does not share that view. And certainly, if you listened to the hon. member for Westmorland there are a lot of backbenchers here who do not think there is any real need for this legislation. We have to decide whether wheat farmers in western Canada have been able to set aside bonds, as the Minister of Trade and Commerce suggests that if advances were put through they would go into the bond market. With all due respect,

Mr. Chairman, I think what I am presenting here is quite in order. We should have some more information on this.

I received from the Minister of National Revenue his last taxation statistics. These also suggest that this problem affects all sectors of the country. After I spoke the other day one of the government members, who flatters me by listening to what I have to say, remarked that surely I was wrong in suggesting that fewer than 20 per cent of the farmers have ever had enough income to pay income tax. I admitted that I did not have statistics before me, but I checked with national revenue and I found that I should have said around 10 per cent, because in 1953 only 69,200 farmers in Canada had enough revenue to pay income tax. I would also say to the member for Westmorland that the farmers in poverty-stricken Saskatchewan paid more than half of the income tax paid by all farmers in Canada in 1953.

I am suggesting that there has been a very serious development since 1953. When the 1954 statistics are available the Minister of Finance and the Minister of National Revenue are going to find that their revenue from income tax is away down on farm revenue all over Canada. It is a pretty serious state of affairs.

The Chairman: Order. I did not rise immediately after the Minister of Finance raised the point of order because I wished to give the hon. member who had the floor every opportunity to discuss this resolution. I feel that I must rise at the present time, however, since, on a resolution in regard to guaranteeing bank loans to farmers, he is going into statistics with regard to income tax, and comparing payments of income taxes as between the several provinces in this country. I think the hon. member will agree that a discussion of that kind has no place in the discussion of this particular measure. I hope he will try from now on to confine his remarks particularly to the resolution before us.

May I remind him that we are governed by a rule which states that speeches in committee must be strictly relevant to the item under consideration.

Mr. Nicholson: Thank you, I shall be glad to come back to this at some other time. Before the legislation is passed hon. members should be satisfied as to whether or not there is need for it.

I have returns from the municipal secretaries in my constituency giving the arrears of taxes at the end of last year compared with the year before.

Some hon. Members: Order.

[Mr. Nicholson.]

Mr. Nicholson: Well, if farmers cannot pay their taxes, it is some indication that something is wrong. If the arrears at the end of last year amounted to $1,209,000, compared with $819,000 the previous year, it indicates that something is wrong in this sector of the economy.

If the Minister of Trade and Commerce is satisfied that there is not a thing to worry about; that sales are to go on; that we are going to be able to market more than an average crop, then all the people of Canada should take an interest in this important industry.

The Minister of Trade and Commerce supplies us information with regard to what they are doing in other countries in the world. He boasts of the fact that Canada has not provided any subsidies. We have this large amount of wheat on hand because of good crops and good weather. Surely, he is not going to suggest that our hope of salvation lies in our having a series of crop failures. If we can have poor crops for a year he will be able to dispose of the surplus, and the municipalities and somebody else will worry about the people who have not been able to meet their responsibilities.

The Minister of Agriculture also sends us a good deal of information from time to time. I see that in the last issue of *Agriculture Abroad* he has an interesting section on what they are doing in the United States. In his report to congress the President of the United States gave quite a different picture from what the minister gave in the book he put out. The Minister of Agriculture points out that in the United States they are making plans to provide a soil bank and to try to move some of the surplus wheat in that country. He said something about people who are not able to get enough to eat in certain countries.

I should like to move to another subject. On Tuesday, January 31, I asked the Minister of Trade and Commerce a question about sales to Poland. The minister gave me a bit of a lecture and said, as reported at page 704 of *Hansard:*

> It has been a well-known rule of the department not to answer questions on current wheat transactions. My hon. friend could ask me today how many bushels we have sold to Poland, and tomorrow how many bushels we have sold to the United Kingdom, and following that how much to Germany, thus telling our competitors our exact position in every market.

Well, I find that in the issue I have here the minister gives the exact figures of the sales to the different countries; he gives the details of the sales to Poland.

Mr. Howe (Port Arthur): My hon. friend is quite mistaken. What he is looking at is the list of exports. Sales are never made public.

Mr. Nicholson: I have before me one of the minister's reports. It does tell the number of bushels that went to Poland in the last month and in the last six months.

Mr. Howe (Port Arthur): Exports.

Mr. Nicholson: Well, those are sales.

Mr. Argue: They are pretty closely tied together.

Mr. Howe (Port Arthur): No.

Mr. Nicholson: This grain is moving into one of the important markets.

Mr. Howe (Port Arthur): Tied together or not, let my hon. friend refer to the list by its proper title, which is exports instead of sales.

Mr. Nicholson: I presume they would not go if they were not sold. In the minister's wheat review he does not mind telling us what our competitors are doing. He points out that:

> The French grain board has made another large sale in the form of around 200,000 tons (7,349,000 bushels) of wheat and 100,000 tons of flour (5,062,000 bushels of wheat equivalent) to Poland. Recent purchases have been at $71.25 per ton ($1.94 per bushel) c.i.f. with a year's credit.

If France is prepared to make wheat available to Poland on that basis, then I do not think the minister should consider what he has proposed to do as a secret. If this type of transaction is to continue the minister is going to have to take the people of Canada into his confidence and encourage the purchase by Canadians of some of the goods that Poland must sell if it is to participate annually in this sort of transaction. It is not good enough for the minister to suggest that it is secret.

I understand that Poland wanted to buy 200,000 tons of wheat. I realize that the government must decide whether they can take a risk as to credit, but I should think that, with such large supplies of wheat on hand, having once decided that we will take some chances in extending credit, we should be ready to take further chances by extending additional credit. Nearly everyone in the west who wants to get something in the west can get it if wheat can be used on a barter basis. There is wheat all over the place and farmers are dealing with one another and making deals with the townspeople. Wheat is being used for a variety of purposes.

If Poland is prepared to take part of their imports from Canada we should welcome that sort of transaction. Apparently France has agreed to give credit for a year for 7 million bushels in the form of wheat and over 5 million bushels in the form of flour. With such a large volume of wheat on hand I see no reason why we should not be prepared to extend more credit for a longer period.

I understand that Poland is making a real effort to get goods into this country. I have seen some of the booklets they are putting out on Polish foreign trade which are printed in English, French, German, Spanish and Russian. They are sending these out with a view to interesting Canadian importers and buyers in their products. I suggest that the two organizations with which I am associated, the wheat pool in Saskatchewan and the federated co-op, should be brought into the minister's confidence.

For instance, last fall you could not buy cement within 60 miles of where I live. Finally we were able to get hold of some United States cement but the price was 80 cents a bag more than Canadian cement. At the same time Poland was trying to get cement into the Canadian market. When we are unable to supply our own market it seems to me that the Department of Trade and Commerce should be—

The Chairman: I am sorry to be forced to rise once more, but I have now listened to the hon. member for a considerable time and he has spoken of transactions in wheat with Poland and he is now speaking of purchases of cement. I am utterly unable to ascertain how he relates those remarks to the particular resolution before us. I realize that in his opening statement the minister referred to exports of wheat in a general way and a discussion of that kind is not being denied any hon. member during the course of this debate but I do feel that these particular matters have little or no relationship to the resolution under discussion and therefore should not be entered into at this time.

Mr. Nicholson: Mr. Chairman, I accept your ruling. We are discussing a problem which is vital to the prairie wheat farmers in three provinces. The proposal which is before us to shift responsibility from the government to the banks is one which I just cannot support. I ask the Minister of Trade and Commerce if he thinks his colleagues would accept a proposal of the kind he is making to the wheat farmers and that instead of having their cheques for $2,250 each month they would have to go to the bank for a loan and would not receive any further salary until our wheat surplus had been disposed of. That might not be a problem to some members of the cabinet, but it would be a great problem to many Canadians if they

were told that they would not be able to get their salaries, that they could borrow up to $1,500 maximum under certain conditions but regardless of their expenses they would not be able to have the balance made available to them.

I suggest that the Minister of Trade and Commerce have another look at the problem which has been presented to him. I think that hon. members in all sections of the house who speak for farm people—

Mr. Studer: You are speaking for the socialists.

Mr. Nicholson: The hon. member who has interrupted me has not taken part in this debate but I am sure he will not go back to Swift Current-Maple Creek and try to convince the people there that this proposed legislation is good enough for the people of Canada.

Mr. Diefenbaker: Mr. Chairman, I am not going to traverse any of the ground that I covered on a previous occasion, but I do want to reiterate the stand I took against bank loans on the security of farmers' wheat. During the last few days, as a consequence of the debates that have taken place in this house, I find that western farmers more than ever regard this legislation as something in the nature of a deliberate slap at their legitimate demands. The hon. member who has just resumed his seat suggested to the Minister of Trade and Commerce that ministers of the cabinet, under the circumstances which he outlined, should be advised that instead of getting their monthly salary they might very well go to the bank and borrow. It occurs to me that there has been a great change in the Minister of Trade and Commerce in recent years. A few years ago he said, "What is a million?" But the other day he said, "I am not interested in those who think $1,500 is chicken feed."

Mr. Howe (Port Arthur): While we are on that subject may I say that a few years before that I was going to the bank to borrow money so I could pay the people who were employed by me.

Mr. Diefenbaker: I am still comparing the million dollar mentality of the minister with his later comment in regard to the farmers when he said that he was not interested in the man who thought that $1,500 as the maximum loan under this plan was chicken feed.

As far as the western farmer is concerned, he is not asking for a handout nor is he expecting to receive anything in the nature of a handout under the legislation now before this house. The alternative suggested by the opposition is a system of cash advances on wheat in the farmers' granaries.

Some mention was made the other day that the wheat pool of Saskatchewan was in favour of this legislation. I have before me a report which appeared in the *Star-Phoenix* of November 9 last in which it was indicated that the wheat pool officials, having read a report to the effect that the government bank loan policy was supported by the pool, issued the following statement:

> Over the years, the policy of the wheat pool organization is laid down by the delegates in annual meeting . . . After a very complete discussion of the whole situation, the delegates passed resolutions, reading as follows:
>
> "That we urge the government of Canada to make immediate provision for advances to farmers on farm-stored grain.
>
> "That advances to farmers on farm-stored grain should be up to one-half the normal delivery expected and repayable on the basis of one-half of the value of each delivery made by the farmer.
>
> "That advances on farm-stored grain should be made by way of government-guaranteed loans to the Canadian wheat board; the Canadian wheat board to arrange with elevator companies to make the advances to individual farmers, and that any interest involved in such loans should be absorbed by the federal treasury."

That in general represents the viewpoint not only of the wheat pool organization in Saskatchewan but of farmers in general throughout the province. The situation in which they find themselves today is resulting in very pronounced reductions in the purchases by farmers of those manufactured products which come into the western provinces, in the main, from the eastern provinces. This is not a sectional problem. This is a national problem, the maintenance of a fair purchasing power among farmers.

The other day mention was made of the prices of wheat during the 1930's as compared with today, to indicate that today there was no real need for cash advances. What really counts is the purchasing power of a bushel of wheat. According to unchallengeable statistics issued by the bureau of statistics, it is interesting to note that the purchasing power of a bushel of wheat of the 1953-54 crop is the same as the purchasing power of a bushel of wheat in 1933-34. In other words the purchasing power of a bushel of wheat today, as then, is 70 cents. In 1934-35—that would be the period while Mr. Bennett was in power—the purchasing power of a bushel of wheat was 84 cents. Then that figure went up and down, and last year we found—and the situation is worse this year—that the purchasing power of a bushel of wheat was 70 cents. It was 71 cents in 1939-40. It rose to $1.28 in 1945-46; the purchasing price since 1945-46 until 1954 has fallen by 58 cents to the bushel. That is a major consideration. It

is not the actual price; it is what that price will supply in purchasing power.

When I hear my hon. friends opposite talking about the 1930's, let me repeat this. In 1953-54 the purchasing power of a bushel of wheat was exactly the same as it was in 1933-34. That, I hope, is an answer to the situation of the western farmer. It is less today. The purchasing power of the 1954-55 and 1955-56 bushel of wheat today is approximately 59 cents a bushel. In other words it is much lower than it was in 1933 and 1934, which indicates the major need for something to be done.

As far as this present plan is concerned, I do not know anybody who is in favour of it outside of this house and other than Liberal supporters in the country who, regardless of what the government does, support it. Even in the last few days one or two organizations have passed resolutions in support of this policy of advances on grain in the granaries. The Saskatchewan credit union league, in the last 10 days or so, passed a resolution in support of it. So, generally speaking, the farmers are asking for a very simple action on the part of this government.

There is no danger of loss. Any suggestion that fraud will be committed is denied by the fact that the local elevator man in each case knows approximately the production of all the farmers in his area. The quota book hampers any possibility of wrongdoing among the small percentage of wrongdoers. Indeed, a few years ago there used to be a great many wheat thefts. There are no wheat thefts any more because there is no quota book for thieves, and there is no way in which a thief can in any way dispose of wheat that does not belong to him.

I mentioned a moment ago the decline in the purchasing power of wheat. Now I wish to refer to the price of Canadian wheat in the free market. I am quoting from the representations Dr. Britnell made last June. He is head of the department of economics of the University of Saskatchewan. He says the price of Canadian wheat in the free market has fallen almost 50 cents a bushel over the past two years.

Mr. Howe (Port Arthur): Mr. Chairman, may I ask what market he refers to as the free market?

Mr. Diefenbaker: Dr. Britnell is referring to whatever market is available to the Canadian farmer outside of the international wheat agreement and outside of domestic sales in Canada.

Mr. Howe (Port Arthur): You mean the bootleg market?

Mr. Diefenbaker: No, he is referring to the selling price of wheat. He goes on to say:

> . . . the price under the international wheat agreement and for domestic sales in Canada is somewhat less.

He refers to the fall in the price of wheat over the past two years of almost 50 cents a bushel. Then he goes on to say:

> The present and prospective future purchasing power of No. 1 Northern wheat is reduced to not more than one-half the 1945 level.

Then he goes on to mention the cost-price relationship. He says that ordinarily this cost-price relationship, with rising costs of what the farmer has to buy and the fall in price, would long since have been disastrous, but he says:

> . . . a cost-price relationship that would normally have squeezed the wheat grower was eased and obscured for several years by higher than average yields, higher than average farm marketings and higher than average overseas exports.

Then he deals in general with the entire wheat picture. He points out the very serious position in which the Canadian wheat farmer finds himself, with falling prices, precipitously falling purchasing power of the bushel of wheat and, at the same time, rising farm costs. The farmer finds himself generally in Canada in the position that in the past three years his actual income has fallen by approximately 23 per cent. The costs of the things that the farmer has to buy have risen by approximately 2½ per cent across the board. I put it to the committee in this way. What would happen if labour across Canada found itself in the position today of having to accept 25 per cent less than it received three years ago? That is the position of the farmer. He is not asking for a raid on the treasury, but simply for justice. I mentioned a moment ago that in the last couple of weeks a resolution had been passed by the Saskatchewan credit union league board.

Mr. Howe (Port Arthur): Are there any farmers, any wheat growers on that board?

Mr. Diefenbaker: Oh, yes, the president himself is a farmer.

Mr. Howe (Port Arthur): Where does he live?

Mr. Diefenbaker: I understand there are also other farmers on the board. There is a suggestion on the part of the minister that the only people asking for this are, as he said the other day in a rather derogatory and sneering fashion, those in the city who are endeavouring to take advantage of the situation. Let me tell you that is not a tribute to the demands of the Saskatchewan wheat pool and the other farm organizations in the

province. The resolution, to which I referred a moment ago before the minister interrupted, reads as follows:

> Whereas it is necessary to maintain the national economy of Canada at a high level; and
>
> Whereas the agricultural industry of western Canada is suffering from a serious lack of cash because of the inability of farmers to put their grain into the hands of the Canadian wheat board and that this disruption in the usual farm income is having a serious effect on business and municipal governments which, in turn, may well cause a serious disruption of the entire national economy;
>
> Therefore be it resolved that the federal government be urged to provide a permanent system of cash advances on grain . . .

That represents exactly the attitude of the overwhelming majority of western farmers, go where you will. I really cannot understand my hon. friends from the western provinces who support the government in the face of this almost universal demand, believing that haphazard dibs and dabs here and there will meet the situation.

The other day the minister provided for a payment of 10 cents a bushel on certain grades of the 1954-55 crop. As far as northern Saskatchewan is concerned, and I am speaking now of the Prince Albert district, the Prince Albert *Herald* immediately recorded the fact in its news columns that almost all the wheat in that area graded lower than 4 and that therefore the advance of 10 cents a bushel, welcome as it was—and I welcomed it when it was made the other day—will not help those farmers whose crop is grade 5, 6 or feed. I suggest to the minister that something be done to extend the application of the advance of 10 cents a bushel; otherwise it will be of no advantage to farmers in many parts of northern Saskatchewan.

As far as the policy contemplated by the resolution is concerned, it does not, it cannot and it will not meet the situation. It constitutes a stubborn and relentless disregard of the wishes of the people. It seems almost as if the government has determined that they have a steamroller majority, and regardless of the wishes of the western farmers they are going to push the measure through hoping that by the time the next election comes around something will happen that will cause the western farmers to forget. There will be no forgetfulness, Mr. Chairman, of this deliberate slap in the face to the western farmer.

This is something that could be repaired even at this time. With all its power the government finally abdicated last summer from the arrogance of the position it took on the Defence Production Act. It is not too late now for the government to take action, realizing the universal demand for cash advances on farm-stored grain is supported not only by all the farmers but also by the opposition parties in the house and by many of my hon. friends who support the government who, were they able to speak as they feel, would denounce this resolution as unjust to the legitimate demands of western Canada.

Mr. Johnson (Kindersley): Mr. Chairman, the members of the government may wonder why they are meeting such opposition in introducing this measure at this time. I think I can offer some explanation of that; the method by which they introduced it. The Minister of Trade and Commerce stated in a previous debate that before going out to address the annual convention of the Saskatchewan wheat pool he knew that things were rather bad and something would have to be done, so he introduced the bank loan legislation. It is a very ill-conceived piece of legislation, because it does not take into consideration the wishes and desires of the farmers and farm organizations in western Canada. It is ill-conceived because of the way it was introduced, by order in council and by a television program.

It seems to me that we in this democratic parliament are receiving an annual stipend commensurate with a year's work, and I think we should be free at all times to be called together to discuss such important problems. Had we been granted that privilege the Minister of Trade and Commerce would have had our advice expressing the views of the farmers and farm organizations in our constituencies, and he would have been able to modify the resolution in conformity with our suggestions in order to meet the requests of western Canadian farmers.

He could, for example, have taken into consideration the resolutions which the hon. member for Rosthern continually ignores in all his dissertations. The hon. member for Rosthern tries very hard to prove that a bank loan is a cash advance or vice versa. He has quoted at length from the conference held in Saskatoon. I should like to read certain resolutions passed on the first day of the 31st annual convention of the Saskatchewan wheat pool after the suspension of the regular order of business. These resolutions were passed virtually unanimously on the floor of the assembly. They are under the heading, "Advances on farm-stored grain", and read as follows:

> 2. That we urge the government of Canada to make immediate provision for advances to farmers on farm-stored grain.
>
> 3. That advances to farmers on farm-stored grain should be up to one-half the normal delivery expected and repayable on the basis of one-half of the value of each delivery made by the farmer.
>
> 4. That advances on farm-stored grain should be made by way of government guaranteed loans to

the Canadian wheat board; the Canadian wheat board to arrange with elevator companies to make the advances to individual farmers; and further, that any interest involved in such loans should be absorbed by the federal treasury.

That is quite a different thing from the proposal already conceived by those in the higher brackets of the government before going out to discuss the problem at the Saskatchewan wheat pool convention.

The subdistrict and district conventions of the Saskatchewan farmers' union could have given the minister some valuable advice and recommendations. If the minister had doubted their capacity to represent the farmers he could have asked the municipal councils, and there would have been no doubt left whatsoever as to the inadequacy of government guaranteed bank loans on the basis of the 1951 legislation. He could have gone further and asked individual farmers. Individual farmers I have asked indicated to me that they were unalterably opposed to the principle of paying interest on their own money. As a result of the meetings held in the constituency last fall I have concluded that we could sum up this legislation by saying that it is unjust, inadequate and impracticable. It has been pointed out by my colleagues that it is unjust because it requires farmers to borrow money on their own earnings.

There are many members of this house who have no comprehension whatsoever of the conditions that exist in agriculture in western Canada. It is most sickening to hear members talk about western farmers driving about in their Cadillacs. The hon. member for Westmorland gave an indication of that lack of knowledge on the part of members from other parts of Canada. Their absence at the vote last Friday indicated that they were not concerned with the problem. In fact, as I recall it the hon. member for Westmorland served on the agriculture committee. In order to impress him with the importance of our task, I took him down a sample of wheat. He greeted me with thanks, saying that he had never seen it before. What kind of advice can we expect from members who have no knowledge of the subject matter and who are not interested in finding out?

An hon. Member: They had better stick to marsh hay.

Mr. Johnson (Kindersley): As was pointed out by my colleagues, this legislation is unjust because the financial position of the farmers in western Canada demands that they have additional purchasing power with which to pay off previous commitments such as store bills, gasoline bills and labour charges incurred during the harvesting season. In many instances they are unable to borrow directly from the bank. They were unable to sell their grain. The crux of the matter really is that of correcting the cost-price relationship of the farmers with respect to the goods they are obliged to buy and the prices they receive for their products. It is indeed a cruel blow to see a surcharge of 5 per cent placed on the moneys to which the farmers are entitled.

I say the resolution is most inadequate because, as the hon. member for Prince Albert has pointed out, the minister said he was not interested in the farmer who thought $1,500 was chicken feed. I think the minister would do well to refer to some of the publications put out by his colleague the Minister of Agriculture, because in the *Economic Annalist* of February, 1951, there is a study on costs of farming in the Elbow-Saskatoon area of Saskatchewan in 1948-49. Since 1951 it is estimated that the cost of production has increased by 20 per cent. It therefore works out, Mr. Chairman, in this way. The costs of production on a one-section farm in the Saskatoon-Elbow area, on good soil, were $2,006 in 1948-49. Costs have increased nearly 20 per cent since that time, so the cost in 1955 would be over $2,400. By the same token, the costs of production on a larger farm, one of over 800 acres, would be nearly $4,000. These are the cash outlays required to operate your farm. The minister must reorganize his thinking. He must appreciate the fact that was pointed out by my leader in the previous debate, namely that the purchasing power of a bushel of wheat has declined 50 per cent since 1945.

The Canada Year Book points out that in 1955 Saskatchewan had 247 branch banks, Alberta had 270 and Manitoba had 175. This problem is a real one in my constituency. For example, there is a bank in the town of Leader. If someone in the area of Horsham down in the southwest corner of my constituency is desirous of going to the bank to get this loan, he must travel 55 miles to go to the bank. He normally does his business with the credit union in Fox Valley, but this legislation requires him to go to a bank. He will therefore make the trip to the bank and make application for the loan. He will fill out the necessary forms and return to his farm.

The banker will have the task of mulling over the application. He has never seen the farmer before. He does not know whether the farmer has on his farm 1,000 bushels of wheat or 1,000 head of sheep or just 1,000 trees. So when it comes to a matter of resolving the question of granting the loan, knowing that bankers are in this business for the purpose

of making money we can expect that the loan will be refused. That is precisely what has happened.

I have placed a question on the order paper to determine the amount and the number of these loans but evidently I do not have the same luck in getting this information as does the Minister of Agriculture, since the question as yet is unanswered.

Mr. Gardiner: That is because you do not take the trouble to get it.

Mr. Johnson (Kindersley): I beg the minister's pardon?

Mr. Gardiner: Anyone can get all the information I had. It is only because you do not take the trouble as a member of this house to get it that you do not have it.

Mr. Johnson (Kindersley): I have put a question on the order paper. If the minister can prod his colleague into fulfilling his parliamentary responsibility, I shall in turn be gratified.

Mr. Howe (Port Arthur): I will give the hon. member the information now if he wants it.

Mr. Gardiner: My hon. friend is talking about two different things. I had my secretary go to the bank and ask how many loans were made. You can get that information anywhere.

Mr. Johnson (Kindersley): I point out that the government are apparently having difficulty in getting the information. I would suggest to the government that they talk to their colleague the Minister of Agriculture, who has evidently no difficulty, so they in turn can get the information and answer my question.

Mr. Gardiner: You can get it if you go out and ask for it. You do not want to know.

Mr. Johnson (Kindersley): That is the responsibility of the person to whom I have directed my question. From the course of this legislation it is apparent that the government is indisposed to progress and to move ahead in the line of progressive legislation. I think it might be said that we have progressed with the Liberal government from the stone age to the metallic age. At least the government members have silver in their hair, gold in their teeth and lead in their pants. They have failed to provide legislation that the people of western Canada need and which the people of western Canada have indicated they need since as far back as 1942, when this problem was brought forward by the present premier of Saskatchewan who was then in the House of Commons advocating the principle of orderly marketing through cash advances on farm-stored grain.

[Mr. Johnson (Kindersley).]

The Canadian wheat board has followed the principle of buying from the farmers of Canada more wheat than they can sell. That principle has been established. Otherwise we would not have in the hands of the Canadian wheat board the surplus in store that the last wheat board report indicates. Therefore if the principle is desirable enough to establish in one instance, let us expand that principle. Let us give to the Canadian wheat board the power to follow the procedure outlined by the hon. member for Rosetown-Biggar, to make cash advances to farmers on the wheat stored on the farm.

I think the mechanics of this legislation are relatively simple to anyone familiar with the grain business. We know that in recent years the farmers have been obliged to build a great deal of storage. It is new storage and it is well constructed, because the farmers have learned that any wheat they have in store on their farms might be there for a goodly number of years. Hence they have built as well as they could. In many instances that storage is much superior to that being licensed as off-site storage by the board of grain commissioners. It is superior to the temporary annexes which are in profusion throughout the country. We do not need to worry, therefore, about the aspect of waste or rotting of the grain due to moisture conditions if it is in properly constructed bins.

It would then be a simple matter for the elevator agent, who is located in close proximity to the farmers in a community, who is familiar with them, to inspect to a standard the granary on the farm and issue the farmer a cash advance of 75 per cent of the anticipated quota. The farmer would then have money with which to pay his immediate obligations, and the Canadian wheat board would stand no chance of loss because the only place the farmer can market his grain is through the Canadian wheat board and through the elevator agent. By following such a system the farmer would be receiving a return for his produce and would not be subjected to the task of having to go to the bank to borrow money on his own earnings.

It might be pointed out that the cost of such a scheme would be exorbitant. I think that has been mentioned by hon. members from time to time. I believe the information on the costs of making cash advances on farm-stored grain might be of interest to the members of this government, as I have analysed it. In 1955 there were 62,910,000 specified acres. These are the most accurate figures I could get and I know they will be acceptable to the Minister of Trade and Commerce because they are taken from a United Grain Growers publication. Then we will follow

the resolution of the Saskatchewan wheat pool requesting a cash advance of 50 per cent of the anticipated quota, which would be 251,640,000 bushels. But at the time the government introduced this bank loan legislation the farmers had already marketed 106 million bushels of all grains, excluding flax. The advance would then be made on 145,640,000 bushels. I think we can assume that the average price would be $1 per bushel, so that would be an equivalent amount of dollars.

Now, as the Saskatchewan wheat pool and the C.C.F. advocate, the Canadian government should bear the interest cost of making these advances available to the farmers. Interest on this amount of money at 3¼ per cent for a period of four months would be $1,577,733, a very reasonable, modest sum indeed in the light of the fact that the government is prepared to pay out $7·5 million through guaranteed bank loans. The farmers in western Canada would favour continuing the principle of orderly marketing and having these cash advances made through the elevator companies and by means of the Canadian wheat board. It would have pleased members of parliament from other parts of Canada, because it would have cost less than the way the government is now doing it.

I was rather disappointed to note that in the course of this debate we did not hear too much from the Benedict Arnolds from Saskatchewan. I think there is a responsibility on all members in this house to present the views of the people in their constituencies as they see them. I was hoping that the influence of the hon. member for Westmorland would have percolated across the aisle to the hon. member for Qu'Appelle and that he would have given us his words of wisdom and presented the picture as it is in the Qu'Appelle constituency.

Related to this problem which confronts us today is one problem which has apparently been written off by the government. In reply to a question by my colleague the hon. member for The Battlefords it was pointed out that there is storage space available for 58 million bushels at the present time. On the basis of the figures I quoted, figures gathered together by the United Grain Growers, we would have room for almost a one-bushel quota in that space. This would do far more to assist the farmers of western Canada than this bank loan legislation. But what is happening? I have received a telegram from a point near Horsham to which I was referring. It is from Richmound, Saskatchewan, and points out that car allocations in the Burstall subdivision are nothing short of terrible. It says:

> Linacre shipped only 3 cars entire month of January and still has 17 board shipping orders on hand. Horsham has 25 board orders, Fox Valley with 60 orders.
>
> All three points with many farmers who have not delivered 300 units stop Worse case is Estuary which has shipped only 5 cars since December 1.

There we have the pattern of this government in relation to agriculture. They have allowed a situation to develop in which the terminals are emptied, where boats are coming and collecting demurage from the farmers through the Canadian wheat board because there is no cargo available. The government representative who looks after this was away, I understand, and no one was assuming his responsibilities at all. No one was telling the railways to spot cars where they were required or to fulfil their responsibilities to Canada by moving the grain from the congested areas to the terminals in order to give the farmers some purchasing power.

I think I could sum up, Mr. Speaker, by making a reference to the occasionally loquacious member for Swift Current-Maple Creek. He has failed to take part in this debate, but I have noticed his periodic trips over to the Minister of Agriculture and the Minister of Trade and Commerce, which indicate that he is trying to get permission to say something. The hon. member for Swift Current-Maple Creek wrote a little article in the Maple Creek *News* of Thursday, November 3, 1955, in which he deplores the inaction of the western governments in dealing with the wheat situation. The hon. member for Westmorland must have picked this up from the hon. member for Swift Current-Maple Creek. Apparently this is an indication of the way the members of the Liberal government want to protect the Canadian wheat board. The suggestion of the hon. member for Swift Current-Maple Creek, in his own words, is as follows:

> I would suggest that the wheat board sell each western province 50 million bushels of wheat, the province to pay the wheat board the initial payment. The province could then accept sterling in exchange for wheat or barter the wheat for their needed equipment in foreign countries and pay the wheat board the favourable balance on the transaction.

Well, Mr. Chairman, if that is the way the members of the Liberal party from Saskatchewan want to deal with the wheat situation, I am not at all surprised that the Minister of Trade and Commerce would be so ill-advised as to follow their advice by introducing bank loan legislation such as this. It is obvious that to allow any of the provincial governments to go out in open competition with the Canadian wheat board would immediately shatter the whole principle o

orderly marketing through the Canadian wheat board, a principle that has met with so much favour on the part of the farmers of western Canada. It is these same members of the government who are always pointing the finger at the opposition and saying, "You are the enemies of the wheat board." It is an indication of where the real enemies of the wheat board stand or lie as the case may be.

Mr. Blackmore: Mr. Chairman, the case for the western farmer has been so well put by so many able speakers on the opposition side this afternoon that I believe it would be impossible for me to say anything that would not be a repetition of what has already been said. In the circumstances I think I will not say a great many of the things I had intended to say. But, in discussing the resolution calling for provision for making loans to western farmers, what actually is being done is something like this. The measure provides for only a nibble at a slice, while the wheat grower is entitled to, and ought to be granted, the whole loaf of bread. He has earned it; he ought to have it.

Everywhere on the prairies we have the demand for advances on farm-stored grain. This demand comes from all over the west. Apparently the government has made up its mind that in spite of everything it will not give the western farmers, or the western provinces, what they want.

This measure reminds me of a few words which I read from Nikita Khrushchev's remarks last September. He said:

> If you really think (addressing the capitalist world) that your system is not too old and rotten, if you believe that it is really possible to keep in the race, go ahead and try and compete. But the truth is on the side of our people.

If Khrushchev wanted a specific instance to establish the general truth of his position, he could ask for nothing any better than this contemptible wheat loan proposal the government is offering to the farmers of western Canada. Here we have Canada one of the finest capitalist nations of the earth, endowed with about the finest resources to be found in the world, with a production of over $26 billion in the year just past, showing abundantly that it is completely possible physically to provide those farmers with all they want. All that is required is a little financial intelligence to make financially possible what is physically possible—and here we have the absolutely disgusting scene which is presented by Canada at the present time! I must say I am absolutely ashamed of the government.

In my speech of January 13 I advocated immediate payment on wheat stored on farms to cover full average costs of production, plus a living allowance large enough to cover the

average costs of carrying on. My remarks are to be found on page 95 of *Hansard*. That is all we want, and certainly that is what we ought to get.

I will quote a statement from the caucus of the Social Credit members of Alberta, which will show the position they took after the proposal was made to make available loans of up to $1,500 at 5 per cent. I am quoting from one of the Alberta newspapers:

> The federal government program of loans to farmers on farm-stored grain Wednesday was described as "entirely inadequate" by Social Credit members of the legislature attending their annual fall caucus in Edmonton.
>
> The policy statement on the wheat situation said, "The proposal to put farmers further in debt is unfair and unjust."
>
> It added, "Not many farmers will be able to qualify for the full amount of the loan. Even if more of them did, the amount would not be sufficient in many cases to take care of the debts incurred in putting in and taking out the crop.
>
> We believe the federal government should make it possible for the Canadian wheat board to make cash advances to the farmers against grain stored on the farms. The Canadian government should make an immediate start on provisions of approved storage on the farms.
>
> One way of doing this would be to pay the farmers storage rates on the same basis paid to elevators, if they built approved storage facilities.
>
> It is obvious the federal government does not have the answer to surplus production. We do not look upon surpluses as a calamity. It is only when we bungle the handling of them that they become such. If we provide proper storage, widely dispersed on the farms, and are prepared to use the national credit to finance the cash advance against the surpluses so stored, these surpluses can become a blessing to our country, and the world in the years ahead".

I think nothing more needs to be said by me. The hon. member for Prince Albert presented a case which, as far as I could see, was as completely airtight as it could be, a case which makes utterly contemptible the efforts of the Minister of Trade and Commerce and the Minister of Agriculture to becloud the issue and confuse the people generally by playing a lot of silly, childish politics when they should have been facing up like responsible members of the cabinet of Canada and dealing with the problem honourably and honestly.

Just as an example of some of the things the two right hon. gentlemen have attempted to convey—I hope I am not unfair—the first point was that there would be greater costs in the case of advances than there would be under the loans which are proposed. The case made by the hon. member for Prince Albert explodes that idea completely. Surely the government of the Dominion of Canada, with all the credit behind it of this great nation, could borrow money in a vast sum incomparably more cheaply than could any farmer, even though the government's guarantee is behind his loan.

If the money were borrowed in a large lump sum and advanced to the wheat board, with instructions that the wheat board would disperse that money or disperse it through the elevators to the farmers, you would have none of the costs that were conjured up by some of the speakers on the other side as being certain to accrue if advances were offered to farmers.

The argument that this process would wreck the wheat board is absolutely puerile. I do not know how a man could undertake to delude the Canadian people in that way, how he could stand up and face a parliament of intelligent people or go out and address an intelligent audience, and say it could possibly wreck the wheat board to take a vast sum of money borrowed by the dominion government from the Bank of Canada, put into the wheat board's hands and dispensed through the elevators to the farmers as a forward payment or an advance payment on farm-stored grain. How that could wreck the wheat board it would require a congregation of lunatics to see. There just is no sense at all in such a position. Apparently a deliberate attempt was made to confuse the people of Canada through the press from coast to coast into believing this bit of nonsense.

An attempt was made to indicate that the farmers were fairly well off. These hon. gentlemen were not able to find very many farmers who were sufficiently in need to have any requirement for advances! That is almost in the class with the other piece—I must keep from using too strong words—of nonsense, I will say once more. If in the United States, just across the border, farmers can store grain on their farms and get $2.10 per bushel; if in the United States farmers are fairly well off, how can it be reasoned that Canadian farmers on this side of the border, under the treatment that has been meted out to them, can be said to be fairly well off, especially when it is remembered that the costs of producing in Canada are just as great as they are in the United States, if not greater.

Mr. Quelch: Higher.

Mr. Blackmore: My colleague suggests that they are higher. That is my own impression, but I am not able to speak from first-hand knowledge.

I do not propose to multiply words before you this afternoon, but I do want to say that we are going to vote for this measure as a Social Credit group because even though it is a contemptible morsel of a slice of a loaf, it is better than nothing. Let no one suppose that in supporting this measure we are in any way whatsoever approving of it.

Mr. Cameron (Nanaimo): Mr. Chairman, I almost hesitate to enter this debate because I make no pretence whatever of having any specific knowledge of the problems facing the grain farmer. I leave that to my colleagues. However, there are some aspects to this question that I think need to be discussed.

As I understand it, we are being asked today to give statutory authority to a program which is already in operation. For that reason it is most necessary that we should understand just how it is working today and what are the implications of that program. On Friday, February 3, the right hon. Minister of Agriculture made a statement in this chamber which disturbed me greatly, and which caused me later on in the day to rise and question him. I received an answer of a sort, but on studying that answer in *Hansard* I discovered it was no answer at all to the question I had raised.

In order to refresh the memories of hon. members I should like to quote the statement made by the right hon. Minister of Agriculture on that occasion. He had been discussing the number of loans that had been granted under this scheme by chartered banks in various places in the province of Saskatchewan, and the minister then said:

> I have been given a note which says, "Tell Mr. Gardiner so and so got the first loan." He was the only man who got up at the meeting and objected on the ground that he would not be able to get a loan. He got a $1,500 loan. The note goes on to say that the bank expects 20 more loans if no quota is opened and none if a quota opens.

Shortly after that the hon. member for Notre Dame de Grace asked:

> What is the source of the figures on bank loans which he has just quoted?
>
> Mr. Gardiner: These are the actual figures obtained by my secretary from the banks where the loans were made.

Then afterward he told us that his secretary went out there to obtain the information.

Mr. Gardiner: That is scarcely correct. My secretary was out there and he obtained the information; he did not go out there to get it.

Mr. Cameron (Nanaimo): He was out there. Later on I asked the right hon. minister this question, and I quote from page 869 of *Hansard* of February 3:

> I have a question I should like to ask the Minister of Agriculture arising out of his remarks a few moments ago. Do I understand that the banks are revealing to the minister's staff the names of those who are borrowing under this act?

At that point the right hon. Minister of Trade and Commerce interjected with what I must say with all respect was a complete *non sequitur*. It was quite irrelevant to the

question I had been asking. When the right hon. Minister of Trade and Commerce sat down I continued:

> It is necessary for me to square that answer with the comment made by the Minister of Agriculture when he said he knew who borrowed the first loan in a certain place. I want to know how he knew who that individual was.
>
> Mr. Gardiner: I read it from this slip that is in my hand.
>
> Mr. Johnston (Bow River): What is that slip?
>
> Mr. Gardiner: It was supplied from the community where the discussion took place. But in fairness to the individual I think I should ask permission of the committee to strike it out of *Hansard* where it appears.

At that point I informed the right hon. minister that I was not at all satisfied with his answer. When I read the answer over later I was still less satisfied because when I asked him how he could possibly have received this information except from the bank I got this reply, as reported on page 870 of *Hansard*:

> Mr. Gardiner: No. It was a matter of discussion.

He went on to describe a public meeting which 200 people had attended. Earlier he had told us that he got the information from a certain note in his hand, but he did not identify the note. It still leaves us in the position that in some way or another the right hon. Minister of Agriculture is able to obtain from—

Mr. Gardiner: Mr. Chairman, on a question of privilege, the hon. member is not giving the story as it is in *Hansard*. My hon. friend simply started out to say that something is not inserted which is not there. I want to point out that the information was obtained at a public meeting. The gentleman said that he was not going to be able to get a loan. There was a banker in the meeting at the time, as well as other people. It was a public meeting, and anybody could go to it. One gentleman got up and said the man who complained was going to get a loan. This discussion all took place in public, and all that was in the note was that the gentleman who raised that discussion got the loan.

Mr. Cameron (Nanaimo): The right hon. minister is not reporting correctly what he told us. He is omitting one important operative word. The note did not merely inform him that so and so had got a loan, the note informed him that so and so had got the first loan from that bank.

Mr. Gardiner: I stated before this committee that if that name were there I would like it removed. I do not know whether that name was ever in *Hansard*, because it was not there when I saw it. The words are just exactly in *Hansard* as when I first saw *Hansard*. There has been no change.

[Mr. Cameron (Nanaimo).]

Mr. Cameron (Nanaimo): Mr. Chairman, I was under the impression that I had the floor.

Mr. Gardiner: I had the name because the man got up and discussed it.

Mr. Cameron (Nanaimo): Quite obviously you had the name.

The Deputy Chairman: On the first occasion when the minister rose the hon. member for Nanaimo I believe indicated that he was willing to hear the interjection.

Mr. Cameron (Nanaimo): I was willing to hear the explanation.

The Deputy Chairman: But on the second occasion he did not. If the minister has an explanation to make he will be afforded an opportunity to make it at the conclusion of the hon. member's speech.

Mr. Gardiner: He sat down, which is the same thing.

Mr. Cameron (Nanaimo): Perhaps in all fairness to the right hon. Minister of Agriculture I should tell him that although I have not been very long in this chamber, I sat for many years confronting Liberal cabinet ministers, many of whom for evasiveness and mendacity were the equal of any one could find anywhere. The minister told us that he received certain information in a note, not from any public discussion at the meeting, which took place, incidentally, by the internal evidence of this record in *Hansard*, before these loans were made.

Mr. Gardiner: I am sorry, Mr. Chairman, but the hon. member wants to get this correct or he would not be discussing it at all. On a matter of privilege, I am sure my hon. friend wants to get this correct. The note to which I referred simply said, "Tell Mr. Gardiner so-and-so—" and if I did not use the name I could have used it and I might have used it, "got a loan of $1,500." That is all, because the gentleman got up at the meeting and insisted to me that this loan to him should be possible. The discussion all took place in public. The banker who sent the note to me was not at the meeting at the time, but another banker was, and I presume he got his information from him and that he probably said, "Tell Mr. Gardiner he got the loan."

Mr. Cameron (Nanaimo): Again I must point out that the minister has very carefully left out the important operative word. I have no doubt whatever he could find out the name, and many of us could find out the names of people who got loans under this act. They were in one of the various small towns where loans were made. But there is only one place from which the information could come as to who got the first loan. The

knowledge as to the names of people who got loans might be a matter of common gossip. People might tell their neighbours they got loans. But only the bankers could tell the minister who got the first loan.

Mr. Gardiner: The man himself told—

Mr. Cameron (Nanaimo): Mr. Chairman, I really must ask your protection from this continued interruption.

Mr. Gardiner: You need a lot of protection somewhere.

Mr. Cameron (Nanaimo): As I say, I have dealt with such people many times before, but I am not to be diverted from this point. The minister has not yet told us how he obtained the information as to who was the person who obtained the first loan from that bank. There is a very ugly implication here that in some way or another the minister through his—

Mr. Gardiner: As a matter of privilege—

Some hon. Members: Order.

Mr. Gardiner: The hon. gentleman was asking me to tell him something, and I want to tell him.

The Deputy Chairman: Order. I would suggest that if we are ever going to proceed with this particular aspect of this debate the hon. member for Nanaimo should make his statement and complete his speech, and I shall see that the Minister of Agriculture is given ample opportunity to reply thereto and at such length as he sees fit. I hope both hon. members will permit me to say that during the last five minutes we have had the same allegations and the same denials. If I may use a colloquialism, this is almost where I came in. I would suggest that we proceed as speedily as possible to a discussion of the resolution before us.

I am not indicating that the hon. member for Nanaimo is out of order, but I am indicating that he might well come to the point and complete that part of his remarks, and then come back to the advisability of our carrying or not carrying the resolution.

Mr. Gardiner: Mr. Chairman, on a point of procedure might I suggest—

Some hon. Members: Order.

Some hon. Members: Sit down.

The Deputy Chairman: Order. May I point out to both hon. gentlemen—

Mr. Cameron (Nanaimo): I do not propose to tolerate it.

The Deputy Chairman: May I point out to both hon. gentlemen that it is usual and customary, and I think expected by the house, that members on either side will resume their seats when the chairman considers it necessary to rise to his feet. If the Minister of Agriculture is rising on a point of privilege, I shall hear him. If in my opinion it is not a point of privilege, I shall so advise him; but let me tell both hon. gentlemen that if there is to be any toleration we shall have to find out to what extent the house will tolerate an abuse to its rules. I do not propose to tolerate such abuses while it is my responsibility to see that the rules are carried out. If the Minister of Agriculture has a question of privilege, and it is a question of privilege, we will hear it. If it is a question of debate, then he will have ample opportunity to make his reply when the hon. member for Nanaimo has resumed his seat.

Mr. Gardiner: Mr. Chairman, with regard to your suggestion, I accept it. I have never been in the habit, in this house or in any other house for that matter, of asking any special privileges from anyone, but when a member on the other side of the house stands and keeps shouting at me certain things that I ought to say, I think probably I ought to have the privilege of getting up and saying them. If he is going to address this committee, he should address it through the Chair and not through me. If he is standing there and shouting things that happened in British Columbia and he is not going to allow them to happen here, I shall probably have to shout back at him. Otherwise I shall respect the Chair.

Mr. Cameron (Nanaimo): I trust we shall not have any other points of privilege of that type, but I do want to suggest that there has been in the statement of the Minister of Agriculture ground for suspicion that he and his staff are exercising, by persuasion or some other means, an influence on the banks who are making loans under this proposed legislation, which places in the hands of the Minister of Agriculture the names of those who are receiving the loans.

Mr. Gardiner: Mr. Chairman, on that suggestion, I just want to say I am not going to take up the time of this committee in discussing that question. It will only be of interest to the people in one town and community in Saskatchewan—

An hon. Member: No.

Mr. Gardiner: —and they know all the facts, and they know what my hon. friend is stating has no relationship at all to them. They know how I got the information. They know the information was produced in a meeting, and all this statement says is that the man who said at the meeting he was the first one to apply for a loan, got it.

Grain

Mr. McCullough (Moose Mountain): Mr. Chairman, it is with great difficulty that I approach this subject with coolness, owing to the fact that we are discussing a resolution to bring in an innocuous bill in respect to bank loans to wheat farmers. I feel that this government is to be sharply criticized for its inaction in meeting the situation that has developed in western Canada. It was certainly plain to all people who at least wanted to explore the situation that there was difficulty in respect to the grain marketing situation in western Canada, and in respect to the western farmer's income.

I may say, in spite of the optimism the Minister of Trade and Commerce expressed in this house on occasions during the latter part of the last session, that some of us, particularly in this group, indicated to him that we had great concern about the movement of grain in this country and the plight of western farmers, and we tried to bring to the attention of this government the fact that a real policy for agriculture was needed to meet the ever-growing surpluses of grain in this country. I wrote the Prime Minister on October 3, 1955, before the crop season, and urged that consideration be given to an immediate plan of cash advances to farmers on farm-stored grain. The premier of Saskatchewan also, in view of the situation which he knew was developing, sent a telegram to the Prime Minister on October 24, which reads as follows:

> Saskatchewan government feels that proposed bank loans on farm-stored grain will not meet present situation. Urge that cash advances be handled by the Canadian wheat board through elevator companies. Farmers of this province almost unanimously in favour of cash advances through wheat board as permanent feature of orderly marketing system. Strenuous objection being taken by farmers to proposed bank loans on farm-stored grain as being unsatisfactory method of meeting present critical situation.

I want to indicate some of the factors leading up to the present situation. I may say that some of the western newspapers came to the rescue of the farmers in their effort to depict the situation to this indifferent government. I should like to refer to the questionnaire distributed by the *Saskatchewan Farmer and Livestock Times* as reported in their publication of November 3. With respect to the questionnaire it has this to say:

> Nearly 56 per cent favoured direct cash advances on farm-stored grain as a means of getting immediate cash into the hands of the farmers while just under 13 per cent recommended low interest loans.

Almost without exception the western farm organizations have been in favour of cash advances, interest free, on farm-stored grain. I for one do not feel that the measure before us will meet the situation adequately at all.

I believe that the provision of bank loans, with the banks having the right to charge 5 per cent interest, is nothing short of a farce as far as meeting the needs of the western farmers is concerned. Indeed, it is more than that; it is an insult to the western farmer who obtains his income from the production of wheat and now, by reason of this iniquitous legislation, is forced because of the market situation to go to the banks in order to get cash with which to meet his obligations.

The Minister of Trade and Commerce and the Minister of Agriculture are to be sharply criticized for the statements they have made in and out of the house respecting the financial position of western farmers. I have here the issue of the *Western Producer* of February 2, which deals with an earlier statement carried in the *Globe and Mail* of January 24. The *Globe and Mail* article is headed, "Gardiner argues income up and farmers not badly off." The article in the *Western Producer* refers to a statement made at the meeting of the Canadian Federation of Agriculture held in Hamilton, and it is headed, "Making monkeys out of us, delegate criticizes Gardiner."

I feel there has been a definite underhand movement on the part of government officials to try to play down the present critical cash situation facing western farmers. I believe the present position, as it has developed, is even worse than that. In my opinion members of the house are now being intimidated by the attempt of the Minister of Trade and Commerce to use what is termed in one editorial "shotgun methods" to squelch any opposition in the house to the government's proposed bank loans.

I have here an article that appeared in the Winnipeg *Free Press* of February 6, 1956. It quotes *Hansard* and goes on to say that Mr. Howe foresaw a filibuster. At another point in the article it has this to say:

> He insisted that the highly unpopular bank loans bill must be approved before the storage bill can be considered. In his words, "We have undertaken to pass a very simple resolution and until that is passed we are not prepared to take any other resolution." He has thus, in effect, made consideration of a final payment on 1954-55 deliveries dependent on the passage of the loans legislation—a bill that has nothing whatsoever to do with wheat payments. Mr. Howe's desire to get this unpopular legislation through the house with a minimum of embarrassment to the government is quite understandable. Western farmers, however, would have more confidence in the legislation—and in the minister—if he did not apparently feel it necessary to use shotgun methods to secure parliament's approval of it.

I for one want to say that as far as I am concerned there is going to be no intimidation of me in this house at any time, and I speak for 98 per cent of the western farmers when

I say they are unalterably opposed to bank loans and paying interest on their own grain. I am one who has great faith in democracy, perhaps more than is indicated sometimes by the actions we see on the other side of the house. This afternoon I heard the Minister of Justice quoted as having said at a meeting in his own province that there were two methods, the first being bank loans through the banks at 5 per cent interest and the second loans at perhaps a lesser rate of interest from the Canadian wheat board.

I think the Minister of Justice should confer with his colleague the Minister of Trade and Commerce, because the Minister of Trade and Commerce told us that if the Canadian wheat board were to undertake what we are proposing as an alternative method of giving advances to the farmers it would wreck the wheat board. Now the Minister of Justice says it will not wreck it but just partially destroy it. He has not suggested in his statement by any means that the Canadian wheat board could not have handled this matter.

Therefore I think the whole thing is a phony issue when the Minister of Trade and Commerce, the Minister of Agriculture or anyone else suggests that it is not possible for the federal government to authorize the wheat board to make cash advances to the farmers interest free. We now see the Minister of Trade and Commerce trying to use dire threats in order to prevent members putting the real situation before the house.

The key problem has not developed overnight but over the years. It has only come to the fore because the cost-price squeeze has now developed to a point where the farmer is left without any cash in his hands. It is true that over the last five years we have had unprecedented production of grain in western Canada, but it is also true that the income of the western farmer has dropped very substantially, particularly in the last three years. I should like to give the house the bureau of statistics figures showing the drop in farm cash income in the province of Saskatchewan for the nine month period beginning in January and ending in September in the years 1953, 1954 and 1955. In 1955 the figure was $305 million. In 1954 it was $300·2 million and in 1953 it was $516·7 million.

There we have the story. From $516·7 in 1953 there has been a drop to $305 million in 1955. In addition, the Minister of Agriculture is prone to refer only to the cash income of the western farmer. He nearly always fails—as a matter of fact I have never heard him do it—to give the net income to the western farmer. In other words he gives the cash picture, but he does not give the net income to the western farmer; and relatively speaking, net income is the real income.

Mr. Gardiner: Mr. Chairman, I rise on a question of privilege.

Mr. McCullough (Moose Mountain): I should like the minister to make his own speech.

Mr. Gardiner: I am rising on a question of privilege. If my hon. friend will check the article he quoted at the beginning of his speech, in which the *Free Press* reports what I said at Winnipeg, he will find the net income and the cash income given.

Mr. McCullough (Moose Mountain): I do not think the minister has a point of order.

Mr. Gardiner: It is not a point of order. My hon. friend said I had never reported the net income. Yet in the very news article to which he was referring a few moments ago both figures are given.

Mr. Knowles: And probably misquoted.

Mr. McCullough (Moose Mountain): Mr. Chairman, I was quoting from the report of the Hamilton meeting of the Canadian Federation of Agriculture.

Mr. Gardiner: I thought the hon. member read from the *Free Press.*

Mr. McCullough (Moose Mountain): It did not quote all the figures of the minister, but it gives some figures. It also claims exactly what I have claimed, namely that he does not give the net income to the farmers and that is the important thing.

Mr. Gardiner: Mr. Chairman, let us get this thing straight. My hon. friend quoted from the Winnipeg *Free Press* and the other article refers to it, and both figures are in there.

Mr. McCullough (Moose Mountain): As I indicated earlier, because of the heavy crops this drastic situation which has now developed in western Canada did not come to the fore. So in 1951 agricultural prices were at 268·7 and costs were at 225·5. But by 1954 agricultural prices had deteriorated to 200·9 and costs had increased to 234·4. It is therefore understandable how the farmers have come to a cash position where they cannot pay their debts, and where they now should and must have some cash income to make up for their inability to deliver their grain in order to pay their debts.

As I said before, I am quite happy that some of the newspapers have taken it upon themselves to help to present to the Canadian people the actual financial position facing western farmers. That information can be found by the government if they want to read some of these newspapers. I have here an

article appearing in the Toronto *Star*. It is a dispatch written by correspondent Robert Nielsen who, I understand, has written a series of articles. He has toured the west; he has gone into Saskatchewan and some of the other provinces and obtained firsthand information as to just what is the situation. I want to read from this article. He is talking about the bumper crops and the present situation. He says:

> That ailment is a cost-price squeeze. Between 1951 and 1954 the Saskatchewan prices of farm products (at the farm) fell by nearly 25 per cent while the prices of the goods and services the farmer buys rose by nearly 5 per cent.

Then he goes on to show that in the bountiful years between 1951 and 1954 the farmer was getting by but that now the cost-price squeeze has caught up with him. In the same article it is indicated that Professor K. A. H. Buckley scored the Ottawa government, and I quote:

> . . . for not having developed a grain storage policy to accompany the price stabilization policy effected by the wheat board.

I speak for myself, and I think for this group, when I say we support the wheat board's policy of marketing grain. Here is a situation where the farmer, after producing his grain, must depend upon this government and its policy to sell that wheat for him in order to receive his income. This government is now bringing in and forcing on this house the present legislation which will compel the farmer, if he wants any cash from his wheat, to go to the bank and pay bank interest.

I have in mind another resolution and, I suppose, legislation which will come before this house where a certain corporation will be given a low rate of interest on a projected pipe line. Here we have the farmer who has produced his wheat, who now, like any other person with an income in this country, must go through a great deal of processing, must give certain details of his financial status, and take out bank loans at 5 per cent interest. As far as I am concerned that is nothing short of adding insult to injury.

Furthermore, Mr. Chairman, I had a return tabled in the house which shows that this government is not doing its job and that the eternal optimism of the Minister of Trade and Commerce is often misleading. I am speaking now with respect to the marketing of wheat in this country. He assured the farmers last year that their bins would be empty and that they would be able to sell their wheat.

I had a question on the order paper and I obtained a return as to the trade commissioners in foreign countries and how many of those were specifically appointed to sell Canadian wheat. The return I received on January 24 states that out of 85 trade commissioners posted in 55 places, not one is specifically appointed to sell Canadian wheat. When wheat is our primary industry, I feel that we certainly should have some people appointed to go abroad and try to find markets for that wheat. Thus we have the situation backing up on us, and now the farmer once again is going to be obliged to stand the brunt of it.

I never felt at any time that bank loans were going to meet the situation. I wrote to all the secretaries of the rural municipalities in my constituency and asked them for a survey of the financial situation of the farmers. In every case there has been growing arrears of taxes in all those municipalities. In addition, in one letter there is a comment in respect to bank loans. This secretary informs me that at this point, where there is a bank which serves not only that village but also three hamlets, to date only one bank loan has been issued.

I want to be fair in this matter, and say that this situation has arisen in a place where the farmers' crops have been fairly well drowned out because of the heavy rains and flood conditions last year. But the same fact remains, namely that here is a community which is similar to many others, where there has been only one bank loan issued up to date. I feel that this legislation does not meet the situation that prevails in western Canada.

The Minister of Trade and Commerce tried to indicate in this house that those of us who are unalterably opposed to this resolution preceding a bill providing for the making of bank loans at 5 per cent interest are in effect trying to wreck the Canadian wheat board. Nothing could be more ridiculous or further from the truth. We support the Canadian wheat board. But if the western farmer is to have faith in the marketing of his wheat through the Canadian wheat board, we feel that this government has to wake up and has to formulate policies which will meet the situation.

I recall that last year one of the newspapers in my constituency carried an article which indicated that if we had a crop failure it perhaps would be a blessing in disguise. I believe that must be what this government is hoping for because of its failure to formulate policies to meet a situation where we are having great overproduction. I think, Mr. Chairman, that in the years to come we are going to have a situation where science and technology will help us produce more grain. I think we should be prepared for it.

I came into this house in 1945, and I have repeated the suggestion many times in the

house that we should adopt a policy of an ever-normal granary. I know that perhaps it is not an original suggestion. I said that I believed Canada should store grain in years of plenty to prepare for years of scarcity. I was only young during the thirties, but I recall that we were scraping our bins as we did not have any wheat. I believe it would be a good idea for the federal government to finance a policy under which this country would store wheat and other things for years of scarcity which have prevailed in the past and which undoubtedly will come again.

If we undertook such a policy, Mr. Chairman, we would not have this type of legislation coming before us which only puts the farmer in a more difficult financial position. We would set up a proper plan for agriculture whereby we would store for the years of scarcity. If we undertook such a plan I believe we could keep in federal storage the 400 million bushels of wheat which we need for domestic and export trade. We could do better than that, even. If our farm people could produce sufficient grain to carry a billion bushels of wheat in this country in government storage, it would be one of the greatest things for the peace of the world and security at home. The farmers would be paid for their grain and the grain would belong to the Canadian people.

Some of the newspapers have stated that there has been no definite statement as to what the opposition parties would propose as an alternative to bank loans. I do not feel that is a true statement, because those of us in this group who have spoken have made our position quite clear. We are against bank loans at 5 per cent interest. We do not believe it is fair. It is just as unreasonable as saying to the wage earner, you cannot get your wages but we will make arrangements with the bank to make you a loan on your income at 5 per cent interest. It is an analogous situation. We do not go along with the government's proposal. In this case we believe there should be a long and a short-term policy undertaken. The government has allowed things to dangle along and get completely out of hand.

As an immediate solution I feel the government should have done what the farm organizations in Saskatchewan and in the west generally advocated, namely made cash advances on farm-stored grain through the Canadian wheat board. It would have been a very simple matter to put cash into the hands of the farmers, which would have enabled them to carry on until future deliveries took place. I am at a loss to know whether once again the government is trying to do a favour for the banks, or whether they are not ready to undertake their responsibility as a government and underwrite a parity policy for all agricultural products.

This afternoon, Mr. Chairman, I heard a member from the province of New Brunswick state that the farmers in his constituency had never asked for handouts or for any bank loans. Well, I do not know what assistance they get down there, but I am one who has always favoured any policy which will help agriculture in every province and the people in every province, regardless of their occupation. I believe we in this house should realize that we are like the mother of parliaments, responsible for all the provinces. We should legislate to bring those policies into being which will be in the best interests of every Canadian, regardless of where he lives or what his occupation may be.

Getting back directly to the proposals, I would suggest first that this government should not introduce this legislation at this time. I feel it could do something better. The government could pay the interest on those loans already made, and then set up proper lending facilities through which the farmer could get interest free loans on farm-stored grain until such time as he could deliver his grain.

From time to time we have suggested that this situation would not have developed if the government had done certain things. Amongst those suggestions has been bilateral agreements with other countries that would enable us to sell our wheat for the goods we wanted from the other countries. We have suggested barter arrangements. We have suggested the extension of credit. We have suggested that further assistance be given under the Colombo plan, and also that in some cases famine relief be considered as a measure for helping people less fortunate than we

Another thing I want to deal with at another time but which I should like to mention now is the tariff. I feel that a change in rates would be of great assistance to the western farmer. Earlier I indicated that the western farmer is in a price squeeze, and it is going to be a problem for him to continue to operate unless we can develop a plan by which the prices for which he sells his products bear a closer relationship to the prices of what he has to buy.

In closing I should like to indicate that the western farmer is now in a very unfavourable position in respect to the income of other workers throughout the nation. I have here figures for 1946 to 1954 from the dominion bureau of statistics, which state that although farm income from 1946 to 1954 increased to 10·4 per cent as compared with 6·1 per cent in the 1930-39 period—

The Deputy Chairman: Order. I am sorry to have to interrupt the hon. gentleman but I must inform him that his time has expired.

Mr. Howe (Port Arthur): It seems to me that a word now to bring this debate back into focus would be worth while. There seems to be a feeling on the opposite side that we are forcing something on the opposition. We are not doing that. At the request of the delegation that came down from western Canada, we arranged with the banks to institute a system of loans on farm storage grain. We thought we were following the wishes of the delegation that put this before us. The unfortunate thing is that the house not being in session, the government gave an undertaking to the banks that if they would not wait for legislation, as the first bill before this parliament the government would undertake to ratify the action it was asking the banks to take. In other words we asked them to lend money on the undertaking that the government would see that the losses were guaranteed.

Well, we have been a long time on this debate. I think most members in the C.C.F. party from the prairies have now spoken twice. I am willing to delay this matter. We will have to tell the banks we cannot carry out our undertaking now. We will have to tell them that at the end of the session we will undertake to keep the house here until we can have this undertaking by the government ratified. It will be up to the banks whether they want to continue lending without the guarantee, but the government is not insisting that this be thrust upon the farmers. We thought it would be helpful.

According to the records I have in hand, it has helped some 8,000 farmers. I have received some letters saying that they are very happy with the assistance they have received. But somehow or other this has got twisted around so that the government is attempting to force this policy on the opposition. It is nothing of the kind. It seems to me that no more repetitive speeches are needed. We have had the same speeches made twice now, I think, by all the members from the prairies. I now see a member getting up to speak for the third time. That is his privilege in committee; nevertheless, we are now down to the point of obstruction.

When we recall that this is a bill that can be obstructed on second reading and on third reading, as well as in the resolution stage, we realize that it is nothing new. There is nothing to debate in the principle of this bill. It is up to the opposition to decide whether they want to carry this on tomorrow. I am willing to drop it until June, but it is just as the opposition say. I think there is a limit to patience. When we get away from debate and get down to obstruction, I think I should have the privilege of making these remarks.

Mr. Ellis: Mr. Chairman, I think the last remarks of the Minister of Trade and Commerce are certainly an inexcusable piece of insolence on his part. We were sent down here to do a job. Meetings were held throughout the province of Saskatchewan last fall. I do not recall any issue in recent years which has aroused so much interest and resentment throughout the prairies as the resolution we are discussing at the present time.

Mr. Howe (Port Arthur): May I ask my hon. friend a question? Does he wish to block this bill? All he has to do is say yes, and the bill is blocked for several months.

Mr. Ellis: I resent the minister making a threat under the guise of asking a question. It is just another example of the type of intimidation which has been going on in this whole debate.

Mr. Knowles: We want something better.

Mr. Ellis: Interest has been expressed in this measure throughout the prairies. Hon. members have attended meetings called by the farmers' union groups and other groups throughout the prairies. If there is a great deal of interest evinced in this house it is certainly not out of proportion to the interest throughout the country.

The Minister of Trade and Commerce rose in his place in the house to answer a question asked by an hon. gentleman on the orders of the day just a few days ago and implied that there was a filibuster because we had had the temerity to debate this thing for one-half a day. If that is the attitude of the Minister of Trade and Commerce on a matter which has aroused the interest—and I might say the resentment—of farmers throughout the prairies, then I suggest the government know full well we are not getting the type of legislation which we have a right to expect.

I attended a few meetings and spoke to a great many farmers in southern Manitoba last fall. I found wherever I went great interest among the farmers and hostility and resentment toward this measure. We came down here. We are expected to put forth the views of our people, and we are not going to be intimidated by any minister of the crown.

Why the impatience? I suggest the minister is impatient to ram this through the house because he knows it is the most unpopular measure that has been brought before this house for some time. Because it is unpopular the government wishes to spare itself the embarrassment of criticism. You follow that

line of reasoning to its logical conclusion and it will lead you to a totalitarian state. Any time ministers rise in their places and suggest that the opposition are obstructionists because they wish to debate a measure, you get a scene such as we have had here today.

As far as the members of the government are concerned, they would just as soon the opposition did not say anything. They would like to be given a free hand to mismanage the country as they have done in the past. I believe that the unseemly haste, the impatience of the minister in this connection, prove very revealingly the arrogance which we have been subjected to in the past. It reveals, I think, better than anything else the knowledge on the part of the government that this measure is highly unpopular. We have heard hon. members read the names of farm organizations throughout the prairies that have expressed their opposition to the measure.

Mr. Studer: That is all you have ever done.

Mr. Ellis: In spite of the fact that farm organizations and important people throughout the western prairies have protested against the measure, the government not only want to put it through, but they want to put it through with a minimum of discussion. I suggest that in a democratic parliament every member ought to have the right to speak his mind on any piece of legislation before the house.

A few moments ago the minister said that some members of this group had spoken two or three times. That is not true. There is not a member in this group who has spoken twice on this measure. I challenge the minister to name one. He cannot do it. Yet the minister suggested—he did not suggest it, he said it a moment ago—that a member of this group was getting up for the third time. That is patently false. I think it is time the minister pulled in his horns and permitted the opposition to do the job they were sent down here to do.

There is a resolution on the order paper dealing with farm storage. We were told in effect by the minister the other day that he was not going to allow that matter to come before the house until he had rammed this bank loan resolution through. What happened? The other day we had an amazing spectacle. There were only 36 Liberals in the house, and when a vote was called on a motion for the committee to rise and report progress, and that motion was passed, we went on with the storage resolution. But the minister was not satisfied. Just as soon as he could round up enough of his cohorts he reverted to the bank loan legislation.

The country ought to know—indeed they do know—that the reason the storage legislation has not been passed at this time is entirely the responsibility of the government. The matter was brought before the committee, but because the minister was so angry and in a huff, and wanted to save face, he came back to this house and overrode the previous decision of the committee, disposing of the storage bill and turning back the committee to the bank loan legislation.

The fault is definitely with the government. I hope we hear no talk among the Liberals that the C.C.F. group have obstructed the legislation. I hope we will not have the Liberals going out saying they were anxious to pass the resolution and get this storage bill through, but the C.C.F. stood in the way. It is the government that has prevented the measure from coming up. As a matter of fact it was before the committee, but was turned aside in order that we could go back to this unpopular, controversial legislation.

Of course, we know from experience their efforts to use this kind of intimidation on the opposition to force it into silence.

Will you call it six o'clock, Mr. Chairman?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: In the hope that we might conclude this debate we will continue it tomorrow.

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:

WHEAT BOARD—LOANS ON FARM-STORED WHEAT

Question No. 51—**Mr. Diefenbaker:**

1. Did the chairman or any members of the wheat board notify the government at any time since July 1, 1955, that they would resign within a matter of days if loans on farm-stored wheat were brought into effect? If so, which of them did so?

2. What was the date or dates of said notifications and were same given verbally or in writing?

Answer by: **Mr. Howe (Port Arthur):**

1. No.

2. Answered by No. 1 above.

PENSION PLANS

Question No. 66—**Mr. Knowles:**

1. Is the government now in possession of information as to the number of pension plans in Canada, covering firms with 50 or more employees, which include any provision for the employee to transfer his pension rights, including his own and the employer's contribution, and any accrued interest, to some other employment? If so, how many of such plans are there?

2. How many pension plans in Canada include provision for transfer thereto of an employee's pension rights or interests earned in a previous employment?

3. Is the government taking any steps to encourage and facilitate the mobility or transferability of pension rights, (a) with respect to employees in private industry; (b) with respect to employees in the public service?

4. Is the government studying the possibility of an over-all government-sponsored industrial pension plan, into which various industrial pension plans might be integrated, to facilitate retention of pension rights by persons who move from one employment to another?

5. Are any studies being made of any other ways to facilitate the mobility or transferability of pension rights? If so, what are the results of such studies?

Answer by: **Mr. Gregg:**

1. No statistical information is available on the transferability of pension rights, but it is believed that such provisions are comparatively rare in industrial pension plans.

While no statistical information is available, the Department of Labour does know of three types of plans which contain provisions for a limited type of transferability:

An amendment to the Ontario Municipal Act in 1953 made it mandatory for the standard municipal plan for municipalities and municipal organizations in Ontario to provide for immediate vesting of the employer's contributions where a terminated employee left to become employed by the civil service of Ontario or Canada, the civic service of any other municipality or local board in Ontario, or the staff of any board, commission or public institution established under any act of the Ontario legislature.

The Canadian Welfare Council, Halifax community chest, and the greater Toronto community chest have plans in operation. Each plan contains a special transfer clause which gives complete vesting of employer benefits if any employee transfers to another social welfare agency.

In employer-union negotiated plans there is a recent trend toward the recognition of the principle of "transfer values" within the industry or between the member employers in a specific trade in a particular locality or localities. These plans cover union members in good standing. The elevator (lift) industry has such a plan in effect. As long as an employee remains employed in the industry by one of the member employers, his pension credits continue to accumulate in accordance with the terms of the plan. Not until he leaves the group of employers represented does the termination clause of the plan become operative. The printing trade in the Toronto area has a plan on similar lines. If an employee stays with the trade but moves outside the Toronto district or if he leaves the trade, he is considered as a terminated employee. The garment making industry in Montreal and Toronto jointly had introduced a scheme along the same lines for members of their union.

2. Answered by No. 1 above.

3. (a) Under certain circumstances persons entering the federal civil service from companies in which they were eligible to be covered by pension plans may claim their service in such plans as pensionable service under the Public Service Superannuation Act, but they must make contributions to cover such service. In such cases there is a type of transferability of eligibility rights but no transfer of benefit rights.

(b) Under section 28 of the Public Service Superannuation Act there is provision for transfer of pension rights as between the federal civil service plan and the plans of (1) provincial or municipal governments, (2) Canadian crown corporations, (3) the government of any country other than Canada, and (4) any international organization designated by the governor in council. Five such agreements have been signed. There are such agreements with the province of British Columbia, the Central Mortgage and Housing Corporation, the Bank of Canada, the Canadian National Railways and Canadian Arsenals Limited.

4. No.

5. A study is being made by the Department of Labour in co-operation with other interested

departments of the effect of pension plans on the employment of older workers. In the course of this study various possible ways of facilitating or encouraging the retention or transfer of pension rights are being explored.

ADMINISTRATION OF JUSTICE—PROBATION

Question No. 88—**Mr. Dinsdale:**

1. How many adult offenders in Canada have been placed on probation in each province for each of the years 1945-1955?
2. How many juvenile offenders in Canada have been placed on probation in each province for each of the years 1945-1955?
3. What has been the rate of recidivism among these (a) adult probationers; (b) juvenile probationers, for each of the years 1945-1955?
4. How many probation officers have been employed in each province for each of the years 1945-1955 for (a) adult offenders; (b) juvenile offenders?

Answer by: **Mr. Garson:**

Under section 92 of the British North America Act the provincial legislatures are given exclusive legislative jurisdiction over the subject matter of probation under head 14 which relates to the administration of justice in the province, including the constitution, maintenance and organization of provincial courts. The government of Canada does not require returns to it from the provincial courts concerning the number of adult or juvenile offenders who have been placed on probation during any period, the rate of recidivism among such persons or the number of probation officers who have been employed by provincial governments.

IMPORTS OF MOTOR VEHICLES AND PARTS

Question No. 95—**Mr. White (Middlesex East):**

1. What number of motor vehicles have been imported into Canada from the United States of America each month, in the years 1953, 1954 and 1955, inclusive?
2. What is the value in Canadian dollars of these importations, by months?
3. What quantities of motor vehicle parts have been imported into Canada from the United States of America in each of the above mentioned years, by months?
4. What is the value in Canadian dollars of these importations, by months?

Answer by: **Mr. Howe (Port Arthur):**

1 and 2. Imports of motor trucks, passenger automobiles and buses, from the United States, were as follows:

Month	1953		1954		1955	
	No.	Value	No.	Value	No.	Value
		$		$		$
January	1,652	4,377,442	1,319	3,169,782	2,604	6,725,905
February	2,059	4,693,454	1,964	4,629,604	2,379	6,050,714
March	2,978	6,685,553	3,097	7,322,988	2,736	7,242,638
April	4,503	9,905,368	3,024	7,138,874	2,985	8,017,211
May	4,268	9,444,859	2,843	6,648,693	2,751	7,847,444
June	3,691	8,136,021	2,826	6,880,573	2,285	6,179,602
July	2,823	6,733,504	1,139	2,659,554	2,969	7,316,556
August	2,078	4,934,725	794	2,330,650	4,654	9,826,437
September	935	2,339,118	695	1,819,135	2,778	6,598,886
October	772	2,101,710	428	1,265,911	2,255	6,765,761
November	814	3,096,686	2,184	6,698,436		
December	1,052	2,795,669	1,727	4,893,396		

3. No statistics available.

4. Imports of motor vehicle parts (including engines), distinguished in trade statistics, from the United States, were as follows:—

Month	1953	1954	1955
	$	$	$
January	20,239,864	19,841,210	19,299,607
February	20,775,068	20,991,775	23,603,332
March	24,390,895	23,583,941	29,194,087
April	24,232,530	19,758,759	30,362,406
May	25,576,440	20,269,453	32,417,247
June	24,586,534	19,984,411	28,149,222
July	20,675,074	14,915,963	21,189,987
August	13,030,936	7,500,303	15,639,635
September	19,083,997	8,959,594	17,554,909
October	15,004,311	11,039,663	19,033,687
November	15,060,043	13,657,100	
December	19,576,102	15,692,649	

HOUSE OF COMMONS

Thursday, February 9, 1956

The house met at 2.30 p.m.

TRANSPORT

EFFECT ON CANADIAN SHIPPING OF UNITED STATES SUBSIDY

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, may I direct a question to the Minister of Transport. What will be the effect on Canadian great lakes shipping of the order of the United States maritime administration announced today making United States ship operators on the great lakes eligible for government subsidies?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I have only to serve as the basis of an opinion the account which appeared in the Montreal *Gazette* this morning. I have not seen the text of the announcement made yesterday by the United States maritime administration but I understand from the press dispatch that the administration has declared the ocean route between United States lake ports and western Europe to be essential to United States trade and economy so that, I understand, they could make subsidies available to operators over that route.

However, I should like to point out to the hon. member that this seems to apply only to ocean shipping covering the route between United States lake ports and, I think, western Atlantic ports in Europe. I do not think one may infer from the communique that it is intended to subsidize operations within the great lakes themselves.

Mr. Green: Will Canadian shipping be given any assistance of this kind?

Mr. Marler: Mr. Speaker, at the moment there is no Canadian shipping that is using this particular route because, as my hon. friend knows, the canals limit the ocean-going vessels to those having a draught of 14 feet or less. As the vessels on Canadian register and vessels on United Kingdom register owned by Canadian interests are all of greater draught, the question of subsidy to them does not arise at the present time.

TRADE

CANADA-UNITED KINGDOM—INQUIRY AS TO PLANS MADE AT CONFERENCE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Prime Minister what plans, if any, were made at the recent conference with the Prime Minister of the United Kingdom and the Secretary of State for Foreign Affairs of that country with reference to trade between Canada and the United Kingdom?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the hon. gentleman realizes, as we realized before, during and after our conversations with the Prime Minister and minister of foreign affairs of the United Kingdom, that they are as anxious as we are to increase the volume of trade between our two countries. However, that has to be a two-way traffic, and we discussed various ways in which that was being encouraged and the fact that those steps were developing at the present time an increase in that trade.

Mr. Fleming: Could the Prime Minister be specific as to what particular means are in contemplation in relation to that trade?

Mr. St. Laurent (Quebec East): The hon. gentleman knows that they are both free enterprise countries and that it is the individual traders in those countries who make their own investigations and try to serve in the best way they can their own individual interests.

We were informed that there would be substantial advantage to the United Kingdom and to ourselves if more special industrial groups could visit the United Kingdom, because it was pointed out to us that it was only the very largest of their trading firms who could come here and seek markets for the commodities they have available. It was also pointed out that two or three of these groups had visited the United Kingdom and as a result of their visits there had already been a noticeable improvement in the quantity of exports they found it was possible for them to absorb from that source.

We are as much concerned as the hon. member is with the imbalance in our trade with the United Kingdom, and to the extent to which we can influence those events we would like to see as much of the needs of our economy as can be absorbed supplied from an area which would in return be only too happy to purchase more of our products.

EXTERNAL AFFAIRS

ALLEGED STATEMENT BY SIR ARCHIBALD NYE—REQUEST FOR GOVERNMENT COMMENT

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to direct a question to the Secretary of State for External Affairs. Has the minister's attention been drawn to an alleged and widely publicized statement of Sir Archibald Nye that "western powers who did not recognize the new Chinese government made a great mistake"? If so, has the minister any comment to make?

Hon. L. B. Pearson (Secretary of State for External Affairs): My hon. friend was good enough to give me notice of his question. My only comment is to regret press reports which appeared in certain Montreal papers, where Sir Archibald was speaking, which by taking a paragraph out of context gave a wrong impression of what he said. The full text of his speech, which I have before me and which I have read, makes it quite clear that in the paragraph in question he was talking about the Asian attitude toward China whereas the report, by producing one paragraph in isolation, gives the impression that it was the United Kingdom and western attitude generally that he was discussing.

As a result of these reports there have been some regrettable speculations regarding the position of the United Kingdom high commissioner. I can only repeat what I said to the press the other day, that our relations with Sir Archibald remain very friendly and co-operative, and we have a high regard for the work he has been doing here as the representative of the United Kingdom.

SHIPMENT OF ARMS—ATTITUDE OF UNITED KINGDOM PRIME MINISTER

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): I should like to direct a question to the Secretary of State for External Affairs. In view of the widespread or so-called widespread apprehension regarding the shipment of arms, when the United Kingdom Prime Minister was here did he raise any objection to Canada's policy respecting the shipment of arms to non-NATO countries? Yes or no.

[Mr. St. Laurent (Quebec East).]

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, no objection was raised, and we are happy to find ourselves in substantial agreement with the policy of the United Kingdom in this matter.

USE OF PUBLIC FUNDS TO PUBLISH SPEECH BY MINISTER

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): I should like to ask the Secretary of State for External Affairs if he considers it a proper use of public funds for the information division of his department to publish the speech he made in the house on January 24 on the subject of arms shipments abroad, but no speeches by any other members of the house including members of the opposition?

Hon. L. B. Pearson (Secretary of State for External Affairs): I would have to look into that matter to see if my speech was worthy of that kind of publicity.

Mr. Fleming: Is it a proper use of public funds?

REPORTED DELIVERY OF ARMS BY RUSSIA IN RETURN FOR SLAVES

On the orders of the day:

Hon. L. B. Pearson (Secretary of State for External Affairs): I should like to answer a question addressed to me the other day by the Leader of the Opposition when he asked:

> Can he enlighten us further or indicate the position taken by this government in regard to the shocking facts disclosed in a report to Dag Hammarskjold referred yesterday to the United Nations in connection with the reported purchase of arms from Russia by the delivery of 1,500,000 Chinese slaves.

The allegations to which reference is made are to be found in the joint report on forced labour submitted to the economic and social council by the Secretary General of the United Nations and the director general of the international labour office. This document—a voluminous one—records new information on systems of forced labour submitted by member states and non-governmental organizations in accordance with a resolution of the council. It includes a report from the Chinese nationalist government entitled "Information on Forced Labour in Communist China".

This report—that is, the report from the nationalist Chinese government—is based on statements in Chinese communist newspapers of individual prisoners who had got out of China, and on Chinese communist laws and regulations. The particular reference of

my hon. friend to the purchase of arms by China to be paid for by the forced labour of Chinese is from a Hong Kong newspaper which published a letter from a Chinese in Thailand who had escaped from a prison camp in China where he had heard that this arrangement had been made.

Canada has already made its position clear at the United Nations with respect to forced labour. We have fully endorsed the condemnations by the economic and social council and the general assembly of the United Nations of the existence of systems of forced labour; we have also expressed support for the adoption of a convention on the abolition of forced labour as a means of political coercion or economic development.

FRUIT

BRITISH COLUMBIA—REQUEST FOR INTERVIEW FOLLOWING SEVERE FROSTS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct a question to the Minister of Agriculture. Has the minister received from the Fraser valley small fruits emergency committee a letter requesting an interview for the purpose of discussing with him the serious situation resulting from the severe frosts of last fall? If so, is it the intention of the minister to grant such an interview?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member was kind enough to send me notice of his question. I have a letter from the Pacific co-operative union—I presume that is the organization to which he refers—suggesting that they would like to have a delegation come down here and discuss the matter with us. I also have a communication from the government of British Columbia with regard to the same matter. The questions involved are under consideration. I have not yet had time to answer this particular letter.

Mr. Patterson: Mr. Speaker, I believe it was written on that stationery, but that at the end of the letter it was stated that it was from the emergency committee to which I have referred.

Mr. Speaker: The hon. member therefore knew that the letter had been received. He was not seeking information.

Mr. Patterson: Mr. Speaker, may I direct a question to the Postmaster General?

An hon. Member: Do you know the answer?

Mr. Patterson: Has it ever happened that a letter that has been posted has not been delivered to its destination?

Hon. Hugues Lapointe (Postmaster General): I understand it has happened in the past, Mr. Speaker.

WATER RESOURCES

UPPER THAMES VALLEY AUTHORITY—REQUEST FOR AID IN CONSTRUCTION OF TWO DAMS

On the orders of the day:

Mr. H. O. White (Middlesex East): Mr. Speaker, I should like to mention two matters. One is this. Might I be permitted to welcome my colleague the hon. member for Middlesex West (Mr. McCubbin) back to the house? I want to direct the question to the Minister of Northern Affairs and National Resources or the Minister of Finance. Would either minister indicate what decision has been made on the application of the Thames valley authority for federal assistance in the project outlined by the authority in a brief presented about one year ago?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): It is still under consideration, Mr. Speaker.

GRAIN

REQUEST FOR TABLING OF REGULATIONS WITH RESPECT TO BANK LOANS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): May I direct a question to the Minister of Trade and Commerce. Is he prepared to table the regulations in force concerning bank loans and any adjustments thereto?

Right Hon. C. D. Howe (Minister of Trade and Commerce): To what bank loans is the hon. member referring?

Mr. Stewart (Winnipeg North): The bank loans under the legislation we are now discussing.

Mr. Howe (Port Arthur): The requirement is that the bank must be satisfied that the grain which is to be security for the loan is in the possession of the farmer. The bank must be satisfied that the same grain is not pledged to another bank under section 88 of the Bank Act. If it is pledged to the same bank, that is not necessarily a bar to another loan. Those two questions are the only questions that are asked of the potential borrower.

Mr. Stewart (Winnipeg North): Are those the regulations in their entirety, or have there been any adjustments with respect to them?

Mr. Howe (Port Arthur): Not that I know of.

Mr. Knowles: How can there be regulations until the legislation has been passed?

Mr. Fleming: Mr. Speaker—

Mr. Knowles: Will the minister answer the question?

Mr. Howe (Port Arthur): Through instructions from the head offices of the banks to their branches; and these instructions are issued by agreement with the government. We believe that eventually, after some weeks, we shall get authority to guarantee the loans, in accordance with our undertaking to the banks.

Mr. Knowles: May I ask a supplementary question? Are we then to understand that regulations have been made based on legislation which has not yet been passed?

Hon. W. E. Harris (Minister of Finance): May I answer this question, Mr. Speaker? It was I who wrote the letter to the banks undertaking with them that if they would proceed with these loans in the early fall we would eventually pass legislation such as is now before the house.

Mr. Knowles: You meant you would introduce it.

Mr. Harris: I beg your pardon; we would introduce it. As part of the obligation I thought I owed to the Canadian taxpayer, we did draw up some understanding with the banks as to the precautionary things they would do in dealing with an application. If the hon. member for Winnipeg North Centre chooses to call them regulations, I have no objection to them being called by that name.

Mr. Knowles: Speak to the Minister of Agriculture.

Mr. Harris: That may be. Those would no doubt become regulations if the legislation were passed and we adopted them as regulations. In the meantime they are working arrangements with the banks, but you can call them whatever you like.

Mr. Fulton: Would the minister be willing to table the letter or a copy of it?

Mr. Speaker: I would suggest that perhaps the hon. member could deal with this when we reach committee.

Mr. Fulton: With respect, sir, the Minister of Finance has told us he wrote the letter but he is not the responsible minister when it comes to the legislation. I think it is a proper question to ask at the moment.

Mr. Harris: I think you will understand that the Minister of Finance is the one who can guarantee to the banks a charge on the public treasury. That is why he wrote it. Nevertheless, it deals with a subject with which the Minister of Trade and Commerce is far more competent to deal than I am.

Mr. Fulton: It is not his letter; it is the Minister of Finance's letter.

Some hon. Members: Order; sit down.

Mr. Speaker: If the document is required to be tabled, and if the hon. member asks for it in the course of debate in the committee and the minister undertakes to table the document, he will do so at the first opportunity when the Speaker is in the chair. If that is not done, the hon. member may put a motion for the production of papers on the order paper.

POTATOES

INQUIRY AS TO IMPLEMENTATION OF RECOMMENDATIONS FROM NEW BRUNSWICK

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Would the Minister of Agriculture state what action, if any, has been taken to implement the recommendations of the New Brunswick federation of potato growers to relieve the very serious and alarming situation, other than the present unsatisfactory diversion program?

Right Hon. J. G. Gardiner (Minister of Agriculture): I understand that the authorities in New Brunswick who are concerned with the matter have been in communication with the officials of my department, and have suggested they come to Ottawa, I think on the 16th of this month. If they come the whole matter will then be discussed.

NATIONAL DEFENCE

EXERCISE "CRACKERJACK"—PARTICIPATION BY AUXILIARY PERSONNEL

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Did any of the R.C.A.F. auxiliary squadrons, or any of the auxiliary personnel forces, take part in the test of our northern defences in exercise "Crackerjack"?

Hon. R. O. Campney (Minister of National Defence): I think the hon. member asked me a question about exercise "Crackerjack" last week and I told him I could not give him an answer until I had time to digest the report. I have not yet had time to do so.

Mr. Hamilton (York West): It is a straight question; it is not a matter of opinion. Will the minister please take my question as notice?

(Translation):

HOUSE OF COMMONS

INQUIRY AS TO IMPROVEMENT OF ACOUSTICS

Mr. Hector Dupuis (St. Mary): Mr. Speaker, I have a few remarks to make concerning the acoustics in this chamber. There has certainly been an improvement, but I do think that the loudspeakers should be shifted to different locations. In the galleries the loudspeakers are behind the listeners, and visitors there hear far better than we do down here where we have to lean forward on our desks to hear what is being said. I think that would be a good suggestion in the circumstances. If you would be so kind as to look into the matter yourself, you will find that audibility down here is rather poor, while excellent up in the galleries.

(Text):

Mr. Speaker: The hon. member for St. Mary has asked that the loudspeaker system be looked into so as to perhaps find ways of improving audibility in the house, especially in the far corner where the hon. member is sitting at the moment. I shall have the technical advisers of the company look into the matter, and no doubt the Sergeant-at-Arms will ask the Department of Public Works to inquire further into it.

Mr. Macdonnell: May I put in a petition in respect of this area, too?

Mr. Speaker: I think we all agree that nothing much can be done with respect to raising the voices of hon. members, but we shall do all we can to improve the system.

GRAIN

PROVISION FOR GUARANTEE OF BANK LOANS TO PRODUCERS IN PRAIRIE PROVINCES, ETC.

The house resumed, from Wednesday, February 8, consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide, by way of a guarantee for bank loans made on or after the 15th day of November, 1955, and before the 1st day of June, 1956, for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver their grain; to provide also that the governor in council may extend the application of the act to cover loans made before the 1st day of June, 1957; and to provide further that any amount paid to a bank under the act be paid out of the consolidated revenue fund.

Mr. Ellis: Mr. Chairman, as a representative in this house from a constituency located in the heart of the world's finest wheat growing area, I feel it my duty to place before the committee some of the reasons I am opposing the legislation presently under consideration.

In opposing this measure I do so first of all because I feel it fails to meet the legitimate requests of the preponderance of spokesmen for western agriculture, who have on many occasions indicated their insistence on cash advances rather than bank loans. I think the excuse offered by the Minister of Trade and Commerce that there was not perhaps complete unanimity when the delegation recently made certain proposals to the cabinet is a mighty poor excuse for the government's refusal to meet the requests of the vast majority of the spokesmen for western agriculture.

On this point, I have been somewhat surprised at the silence of private members on the government side of the house, and I was particularly surprised at the failure of private members from the province of Saskatchewan on the government side of the house to put forth their reasons for supporting this resolution.

On occasions we in this section of the house have been asked by some of the hon. members from Saskatchewan on the government side who asked us to take a particular stand and who asked us to vote against a particular measure. I should like to ask them this question. Whom are they representing in this house when they support a proposition which has not met with the approval of a single agricultural group in the province of Saskatchewan? We are on record as being opposed to this proposal, and have asked for something worth while. The silence of private members from Saskatchewan on the Liberal side of the house in relation to this matter reveals only too clearly that they are aware of the situation, and they dare not stand up in the house and state their reasons for supporting this resolution.

Mr. Harrison: Are you going to send this speech home?

Mr. Ellis: I think it is quite obvious that the resolution envisages legislation which will be totally inadequate to meet the requirements occasioned by the present serious shortage of cash on the prairies. I believe the whole question was very neatly summed up by the leader of the Liberal party in the province of Saskatchewan a few months ago when speaking at a public meeting in a town in the constituency of the Minister of Agriculture, when he referred to this as being as effective as a stirrup pump in a forest fire.

Mr. Gardiner: Mr. Chairman, I would just like to say that when the provincial leader first made the statement he was not speaking in my constituency. I should like to say

further that three out of five Liberal members from Saskatchewan have spoken on this resolution.

Mr. Nicholson: No.

Mr. Ellis: No. You are wrong again. I should like to know the names of the three hon. members. I do not recall the hon. member for Swift Current-Maple Creek speaking on this resolution. I do not recall the hon. member for Qu'Appelle having spoken nor do I recall the hon. member for Meadow Lake having spoken. Who are the Liberal members from Saskatchewan who have spoken, if that is the case?

An hon. Member: Mr. Tucker.

Mr. Ellis: The only private member who has spoken is the hon. member for Rosthern.

An hon. Member: That's two.

Mr. Ellis: One of my colleagues says that is two. I do not know whether the fact that the Winnipeg *Free Press* has referred to the hon. member for Rosthern as having a dual personality, with one voice in the west and another in the east, has influenced the thinking of the Minister of Agriculture to the point where the minister regards the hon. member for Rosthern as two private members in this house, but in any event, if I may continue—

Mr. Gardiner: The hon. gentleman says he would like me to name the hon. members who have spoken. Mr. Tucker spoke on this resolution and I spoke on this resolution. Mr. Mang spoke on the address and I understand expressed himself on it.

Mr. Ellis: Oh, no. I hope the Minister of Agriculture does not think he can get away with having made an incorrect statement a few minutes ago by weaseling out of it in this fashion—

Mr. Gardiner: I am not weaseling out of it. I am making a correction.

Mr. Ellis: The minister made a statement to the effect that certain hon. members had spoken on this resolution. I was speaking about private members and was not referring to the minister—

Mr. Gardiner: I was talking about the Saskatchewan Liberal members—

Mr. Ellis: You said five. I made the statement that only one had spoken. The fact that one hon. member spoke in the throne speech debate is not pertinent to the statement made a few moments ago. I am talking about the debate on this resolution and not the throne speech debate. The hon. member could have spoken about a great many things.

We are concerned about the attitude of those hon. members in relation to this specific resolution.

The Minister of Agriculture referred to the fact that the meeting at which the Liberal leader in Saskatchewan made this statement was not held in his constituency. I was under the impression that meeting had been held in Langenburg which I understood to be in the constituency of Melville. As I was saying when I was interrupted by the minister, the Liberal leader in Saskatchewan apparently recanted, and we have heard very little from him on this score.

This would lead us to believe that not only did our Liberal members in this house toe the line but that the Liberal party, as it has in the past, still exercises dominant control over the Liberal party in the province of Saskatchewan. When the Liberal leader makes a statement that is found unpalatable to his colleagues in Ottawa he is told to keep quiet and say no more about it. I do not think anyone in the province has summed up the situation more ably than the Liberal leader. It is too bad he could not have stuck to his guns and defied the powers in Ottawa.

One of the chief objections to this legislation is that it locks the door to worth-while legislation. We had this type of legislation in 1951, and it failed to satisfy the needs at that time. We are trying to establish a principle of cash advances. Members of the C.C.F. group have been talking about cash advances for over 10 years. We want that principle definitely established. The idea of treating the farmers in the manner outlined in this resolution is far from satisfactory, and we feel that the withdrawal of this legislation would enable the government to bring in legislation more in keeping with the needs of western agriculture.

I suggest that the legislation is only as good as the excuses offered on its behalf by its apologists. I have been trying to find out the reasons behind the government's insistence on this legislation. We have been told by the Minister of Trade and Commerce that delegations from western Canada have asked for it. That is not true. In order to save the Liberal government some embarrassment an individual might have taken a position contrary to the vast majority of the spokemen for western agriculture, but surely the minister cannot insist on complete unanimity. Surely he will accept the wishes of at least 95 per cent of the spokesmen. I would say that as far as the grass roots are concerned it is 100 per cent. If you can find among the vast number of spokesmen representing agricultural groups in the west one or two who, to save the

government some embarrassment might be prepared to support bank loans, that is a far cry from saying there is support for this legislation on the prairies.

We even had the hon. member for Rosthern reading into the record a resolution passed at a Saskatchewan conference, completely twisting the meaning of that resolution beyond recognition in a vague and clumsy effort to prove that black is white or that white is black. When they ask for cash advances, he interprets that to mean bank loans.

Then, of course the more tortuous argument is put forth that the government are out to protect the wheat board, that somehow or other those advocating cash advances are in some way undermining the position of the wheat board. The whole validity, or lack of it, of this argument will depend upon the Liberal record with regard to that board. It seems passing strange that at this time the Liberals should be proclaiming themselves as champions of the wheat board. I suggest that one look at the record.

It is well known, as far as the C.C.F. is concerned, that long before the C.C.F. was formed the forerunners of the C.C.F., the men and women who worked in the farm movements on the prairies and who brought forth the C.C.F., these spokesmen for the farmers and workers throughout Canada were the people who gave the impetus and leadership to the creation of the wheat board. The demand was there.

As far as the Liberals are concerned, the wheat board as we know it came into being in 1935 and was brought in by the Bennett government. At the time that legislation was brought in the Liberal party fought it tooth and nail, and the leading opponent of it at that time was the late Hon. J. L. Ralston, in an eleventh hour effort to weaken, if not destroy, the wheat board. Amendments were brought in which would have the effect of placing the wheat board in operation for one year, to be extended only under certain circumstances, whereas the act brought in the wheat board on a permanent basis.

After the Liberal party had fought a losing battle to prevent the creation of the wheat board, and had used every method in its power to weaken it in order to destroy it later, it had the temerity in western Canada in 1935 to go around the country professing to be the friend of the wheat board. The late Mr. King went out to western Canada and referred to the wheat board as the brain child of the Liberal party, after his colleagues had bitterly opposed it just a few months previously. Western Liberals were elected by paying lip service to the wheat board.

What is the sorry record? We know the first step, of course, was to dismiss Mr. McFarland and the advisory committee of the wheat board, thus destroying the one vestige of producer representation on the board. I should mention in passing that later on, at a by-election in which the present Minister of Agriculture entered this house as Minister of Agriculture, the C.C.F. opposed him—unsuccessfully, of course. We opposed him because we had every reason to believe that from his record the Minister of Agriculture was opposed to the wheat board in principle, and opposed to the whole question of setting an initial price. He was opposed to the whole idea of orderly marketing. We were afraid that once in office he would join with his colleagues in Ottawa in a systematic effort to sabotage the wheat board, and that is precisely what they did.

My leader, the hon. member for Rosetown-Biggar, referred to a speech made in this house by the late Mr. Motherwell, who at that time was the member for Melville, in which Mr. Motherwell denounced the Liberal government and denounced his own colleagues for seeking to destroy the wheat board. It appeared quite definite that among the vast number of Liberals who sought election in 1935 and were elected by paying lip service to the wheat board, there was at least one Liberal who stood by his convictions, and that man was the late Mr. Motherwell.

Not only did he indict the government for its attitude toward the wheat board, but he had some caustic comments to make with regard to their government by order in council. I believe he suggested that they might just as well have Mussolini take over the house, when they were governing by order in council. They had an act of parliament set forth certain procedures by which farmers could deliver their grain to the wheat board, and the government of the day—a Liberal government—sought to destroy the wheat board through underhand methods by order in council. We know that during those years of 1936-37 and 1937-38, at the time the order in council was passed to the effect that the wheat board was only to accept delivery of wheat if the price of wheat dropped below 90 cents, farmers were denied the right to deliver their wheat to the wheat board. They delivered their wheat to the elevators at prices ranging between 90 cents and $1.

Later in the same year they saw the price of wheat go up to $1.43. If the wheat board had been in operation, if the farmers had been permitted to deliver their wheat to the wheat board, they would have shared in that price through participation certificates, but the

government action had the effect of destroying the wheat board for the time being at least and played right into the hands of the speculators on the Winnipeg grain exchange.

Then we know that in the crop year 1938-1939, when the price of wheat did go down below 90 cents, the board accepted delivery of wheat not at 87½ cents, the price laid down in the original legislation, but at a price of 80 cents. I do not want to go into too much of this history, but I wish to deal with the question of the wheat board because it is quite evident that the only argument Liberals from western Canada have used, and it is a phony argument at that, is the fact that they pretend to be concerned about the welfare of the wheat board. I ask hon. members to judge them by their record in this regard. We know that the government of that day appointed the Turgeon commission which made a study of the whole question of wheat marketing.

The Chairman: Order. I was glad to hear the hon. member say he was not going to pursue this subject. I have just been trying to refresh my memory on the debate, and I do not recall that there was any extended debate with regard to the wheat board on this resolution. I stand subject to correction, but if the hon. member will also refresh his memory I think he will find that the extended remarks with regard to the wheat board took place in the debate on the address, and in this debate we have been keeping more strictly to the subject under consideration.

Mr. Ellis: Mr. Chairman, when the Minister of Trade and Commerce introduced the resolution he wandered far afield. He dealt with the question of cash advances. He dealt with the whole question of wheat marketing. I agree that the government does not want to go into the matter too deeply. They just want to get across the insinuation that opposition members are doing something which can hurt the wheat board. They do not go into it too deeply and I do not blame them; but the fact is that this matter has been raised by a number of hon. members.

The Chairman: Order. I had occasion, reluctantly, to interrupt the hon. member for Mackenzie yesterday, and at that time I pointed out that several hon. members had mentioned in this debate the question of exports and similar general matters and that there had been no attempt whatsoever to curtail discussion along those lines. However, I feel that this particular discussion of the pros and cons, if I may call them such, of the wheat board is perhaps not in order on this resolution.

[Mr. Ellis.]

Mr. Knowles: Mr. Chairman, may I respectfully submit that the whole basis of this legislation arises from certain words that are right in the resolution, "to meet temporary financial difficulties arising from inability to deliver their grain." It seems to me it is that difficulty in connection with the delivering of grain that made it proper for the Minister of Trade and Commerce, the Minister of Agriculture and others to talk about the wheat board and other methods of delivering or disposing of grain. I submit with all respect that Your Honour is being unduly critical of members when you suggest that they cannot also discuss whatever is involved in the inability to deliver grain.

The Chairman: Order. It was not my intention to limit the discussion in such a manner at all. I see, for instance, that previously in this debate there has been a discussion of the possibility of the wheat board handling these advances, and also certain allied subjects. What I meant to do when I interrupted the hon. member for Regina City was merely to state that in my opinion this prolonged discussion of the history of the wheat board and the pros and cons of the wheat board is not in order under this resolution. A discussion of the wheat board in so far as it affects this resolution is of course in order. It was the somewhat extended and particular remarks of the hon. member which I thought were perhaps not in order.

Mr. Ellis: Mr. Chairman, I must say that my treatment of this subject was occasioned by the fact, as I pointed out, that the whole basis of the argument made by some of the apologists for the resolution was their supposed concern for the wheat board. Therefore I think the validity of this argument will hinge to a very large extent upon the government's handling of the matter throughout the years, because after all the Minister of Agriculture and the Minister of Trade and Commerce are two of the men who were vitally concerned with this matter at the time the wheat board was dealt with in the manner I have just been describing.

However, I will hurry on and dispose of the subject by making one further reference. Notwithstanding the indirect pressure against the wheat board in 1939, on February 16, 1939, the Minister of Agriculture announced a new wheat policy at the time the estimates of the Department of Agriculture were before the house. The pertinent point in the new policy enunciated by the government was as follows:

> That the government should remain out of the grain trade and our wheat should be marketed by means of the futures market system.

Certainly under those circumstances it is quite easy to assess the validity of the arguments these hon. members have been making. Under these circumstances you may say, why have we a wheat board today? That is a proper question. It was not because of the Liberal party but in spite of them. It was because of the wave of protest that spread throughout western Canada. The United farmers of Canada, Saskatchewan section; the Saskatchewan wheat pool; the Manitoba pool; the Alberta pool, all the farm organizations joined together to protest the onslaught on the wheat board. A petition was circulated throughout my province and I believe there were somewhere in the neighbourhood of 160,000 signatures on it.

At that time the Liberal government were a little more sensitive to public opinion. They had only been in office for about three years. Now they have been in office so long that they just do not care about public opinion and are prepared to ram this thing through regardless of what the people back home think. It indicates the change in the attitude of the government in recent years. At least at that time they were sensitive enough to public opinion that they made up their minds that if you could not beat it you might as well join it. The Liberal protestations of devotion to the wheat board today bear all the earmarks of a shotgun marriage, because nothing in their past has indicated that their concern about the wheat board is their real reason for bringing forward this legislation at the present time.

I have been quite interested, Mr. Chairman, in the attitude taken by other opposition groups with regard to this resolution, particularly the attitude of the Progressive Conservative party. In spite of the critical comments they have made about the measure they have announced through their leader that they intend to support the government. The same applies to the spokesman for the Social Credit group, who announced the support of his group for the legislation introduced by the Minister of Trade and Commerce. I had hoped that as a result of this discussion we might persuade the other opposition groups to join us in presenting the attitude of western agriculturists toward the resolution now before the house.

The Chairman: Order. I am sorry to interrupt the hon. member, but it is my duty to advise him that his time has expired.

Mr. McIvor: Mr. Chairman, there is something that seems a little curious to me. When a farmer in the west is hard up and wants to get some cash he does not have to go to a small loan company in this case and pay 12 per cent, 24 per cent or a lot more. I was just wondering what these people represented by the hon. member for Assiniboia—the thousands of them who had to borrow money and pay 12 per cent or more—would think if they were able to borrow money from the government at 5 per cent. This is a contest that I should like to see cleared up. These farmers in the west are not all hard up. I know some of them who are not even going to borrow.

Mr. Stewart (Winnipeg North): As to what the hon. member for Fort William has said, I see no reason—

Mr. Byrne: I rise on a point of order, Mr. Chairman.

The Chairman: I understand the hon. member for Kootenay East is rising on a point of order.

Mr. Byrne: Or a question of privilege. The opposition, particularly the C.C.F. opposition, have been complaining that members from this side of the house are not speaking. I wonder whether it would not be proper for them to relinquish their place and allow a member from this side of the house to speak.

Mr. Stewart (Winnipeg North): Mr. Chairman, I think you know as well as I do that this is not a point of order or a point of privilege. You have the right to recognize whomever you like in this chamber, and you are the one who decides the matter.

As to the statement by the hon. member for Fort William, perhaps he did not hear the remarks made by our leader the other day in the house when he pointed out that this government is quite content to lend money to foreigners at 3 per cent but to Canadians at 5 per cent. We do not like that sort of thing. If we can lend money to United States corporations at a rate of 3 per cent, then if we are going to lend money to Canadians let it at least be at 3 per cent. Apart from that aspect, we in the C.C.F. still do not like the legislation.

What I want to deal with for the next few minutes are some of the illogicalities and absurdities given us by the Minister of Agriculture in the last few days in the course of what he has had to say. The right hon. gentleman is sometimes extremely loquacious, but on these occasions he either spoke far too much or else far too little. As reported at page 861 of *Hansard* he said:

> . . . financing on loans has never been the best way for the farmers of western Canada.

We who come from western Canada know that it is not a good way for farmers to finance. But if that is so, and if my hon. friend knows it is so, why is he supporting

this legislation the purpose of which is financing farmers by means of loans? My right hon. friend has told the house that he has been through Saskatchewan talking at meetings here and there; but apparently he is not yet convinced that the great majority of the farmers are opposed to this legislation.

I do not know what sort of farm groups he was speaking to. I know that I met with some in Manitoba who were strongly opposed to this legislation. Perhaps the minister never came across those farmers. But he told us—or one member of the government did so—that only 4 per cent of the farmers of western Canada have taken advantage of loans under this scheme. That means that 96 per cent either have not taken advantage of them or have been denied the opportunity to take advantage of them. The minister tells us that financing by loans by western agriculture is bad. If he believes it is as bad as all that, why does he not talk to his colleagues on this matter?

Mr. Howe (Port Arthur): May I ask the hon. member a question? How many farmers has he in his riding?

Mr. Stewart (Winnipeg North): I come from an urban constituency; and coming as I do from an urban constituency I know that the welfare of my constituency depends upon the welfare of the farmers, and that what is good for the farmers is good for my constituency and for Canada. Members of parliament from eastern Canada also ought to realize that fact, especially those from industrial areas where farm implements have been sold in the past to western Canada. They know the unemployment which prevails in these industries because the farmers have no cash with which to buy implements. We have to get cash into the hands of the farmers, and this legislation is not designed to do it. The Minister of Agriculture must know it is not designed to do that. Yet despite the fact that he says that the financing of farmers by loans is a bad thing, apparently he still intends in this house to support it.

But let us consider some other things he said. He was at a public meeting in Saskatchewan and at this public meeting he had a discussion with one whom I shall call Mr. X. We do not need to know the name of the individual at all. Mr. X applied for a loan under this scheme. Mr. X could not get it. Mr. X thereupon appealed to the minister, and the minister advised him to apply later when the regulations were adjusted. I asked the Minister of Trade and Commerce today to table the regulations. I hope he will still do that. He told us what the regulations were in a couple of brief sentences. I asked him what adjustments had been made and I was told there were none. But his colleague sitting next to him says that adjustments were made and that after they were made this farmer would probably get a loan. Then, according to the Minister of Agriculture, it was stated at the meeting that the farmer likely would get the loan. Who would be in a position to know if Mr. X got a loan?

Mr. Gardiner: Would you like to know?

Mr. Stewart (Winnipeg North): I certainly would; but I do not want a speech, I just want the name.

Mr. Gardiner: The fact is that in Saskatchewan the provincial government have passed a law that, as to anyone who has not paid his taxes, his name must be posted in the elevator and the elevator operator must deliver the money to the municipality in which the taxes are payable. That is what we were discussing. This man said he could not get the money with which to pay his taxes until he got the loan. I certainly indicated to him that the matter was under consideration at a meeting in Winnipeg, and it was adjusted.

Mr. Coldwell: When was that legislation passed?

Mr. Gardiner: The regulation about paying taxes?

Mr. Coldwell: Yes.

Mr. Gardiner: Some time ago. It is maintained by the present government, whether passed originally by them or not.

An hon. Member: It was passed back in the Liberal days.

Mr. Gardiner: Just a minute. It was the position taken by the attorney general in the present government that arrears of taxes and other charges against the wheat had to be paid before the farmers could get a loan.

Mr. Stewart (Winnipeg North): Mr. Chairman, I do not want to be interrupted. The right hon. gentleman can take any one point which is a fact and twist it, turn it and distort it faster than anybody else in this house. Apparently what was said at this meeting was that it was likely this farmer would get a loan. The only two people who actually knew that he would get a loan were either the minister, who has some influence over the bank, or the bank manager himself. The minister could not know what the manager was going to do, surely. Only the bank manager must have known. So the bank manager said this man likely would get a loan after these adjustments were made which the minister indicated were going to be made and which the Minister of Trade and Commerce denies were made.

It is hard to get some sort of semblance of sense out of this whole story. As I said, the Minister of Agriculture has either spoken too much or too little; and I do not want any more interruptions in my speech. After I am finished he can get up on every point of order or question of privilege he can think of and make a speech, but I do not want to be disturbed.

An hon. Member: Then stop asking questions.

Mr. Stewart (Winnipeg North): As reported at page 861 of *Hansard*, the minister told us he was given a note saying, "Tell Mr. Gardiner so and so got the first loan". My colleague the hon. member for Nanaimo yesterday said that the operative word there was the word "first". Who knew that Mr. X. got the first loan? Only one person really could have known, and I maintain that was the bank manager.

I have heard the Minister of Agriculture complain bitterly time after time that he has been misquoted, that he has been misrepresented. He has blamed the press for misrepresenting him all over this country. Yet he misquotes himself. He cannot even accurately quote a sentence of his own. He tells us as reported at page 861 of *Hansard* that the minister was given a note saying, "Tell Mr. Gardiner so and so got the first loan". Then he tells us, as reported at page 984 of *Hansard:* "Tell Mr. Gardiner he got the loan". That is a vastly different thing from that about which my colleague was complaining yesterday.

Then we find out eventually who sent this note. A banker sent the note to the minister saying that Mr. so and so got the first loan. There is only one inference one can draw from this information. The minister in attempting to save himself can perhaps consign this banker to limbo for all I care, but a banker has no right to divulge in a Liberal meeting or in a Liberal caucus or anywhere else the financial details of the business of his customers and his clients. If this banker did so, as the minister alleges he did, then I think he ought to be disciplined by his own particular head office.

But the minister was not content to stop there. As reported at page 862 of *Hansard*, he goes into certain fantasies of which only he is capable. He told us that in the town of Lemberg the amount of loans is $44,190, and that in the town of Balcarres the amount is $21,585. Less than half has been lent in Balcarres as compared with Lemberg. Then he goes on in his inimitable Liberal, with a capital "L", style to say:

I think if the hon. member for Assiniboia had never gone there it would have been just as high as the others.

Mr. Gardiner: Hear, hear.

Mr. Stewart (Winnipeg North): The minister says hear, hear. What is the inference in that? Is the government lending the money or the bank? Is he saying that because the hon. member for Assiniboia went there the banks are going to cut the loans in half? What the minister is arguing is that there is collusion between the banks and the government as to who is or who is not going to get a loan. The minister cannot wriggle away from that. He has told us that if we go into a constituency in Saskatchewan and speak against this pernicious legislation the farmers are not going to get loans because the banks will turn them down. On whose instructions?

Mr. Gardiner: What I am saying is that the farmers did not ask for loans.

Mr. Stewart (Winnipeg North): I am not going to be interrupted by the minister. I have the floor and I am going down the line so far as he is concerned. If he wants to object afterwards, let him object; I do not care. He has told in these words that wherever opposition members go and speak, the loans are going to be cut down.

He went further on the same page and said:

They—

Being the farmers.

—are going to remember the fact that he—

Being the hon. member for Assiniboia.

—came there, told them certain things, and they did not take the money out of the bank.

Because the hon. member for Assiniboia went there, the farmers did not get loans. Does the Minister of Agriculture think the hon. member is the Minister of Trade and Commerce? The hon. member for Assiniboia has not the power of the Minister of Trade and Commerce, so why does he ascribe to him the power of being able to stop these loans?

Mr. Howe (Port Arthur): My hon. friend has asked me a question. What is the question?

Mr. Stewart (Winnipeg North): I am not asking the minister a question at all.

Mr. Howe (Port Arthur): If my hon. friend is asking about me, what is he asking?

Mr. Stewart (Winnipeg North): I am not asking the minister a question at all. Wait until I get started on him, and then he can rise on points of privilege, points of order or anything else.

Grain

I want to turn again to the very illogical statements of the Minister of Agriculture. He told us the hon. member for Assiniboia stopped the farmers from getting loans. A couple of minutes before that the minister had said:

I have had sufficient experience with the farmers of western Canada to know they do not pass up these things.

Let the minister make up his mind what position he wants to take. Let him not go off in all directions at once and be equally wrong in all directions.

I am coming now to the Minister of Trade and Commerce. After one member of this party had spoken in the house the minister said, as reported at page 789 of *Hansard* for February 2, 1956:

I now understand that the bill is to be filibustered.

After one speaker from this party—

Mr. Howe (Port Arthur): The hon. member for Assiniboia made that statement before he left western Canada, and all the newspapers have made the same statement.

Mr. Stewart (Winnipeg North): I cannot help what the newspapers have done.

Some hon. Members: Oh, oh.

Mr. Stewart (Winnipeg North): Despite this claque over there, the hon. member did not say that. The minister is looking into his crystal ball and it is cracked. Yesterday the minister got up in this house and, in effect, tried to blackjack the opposition into silence. We will not be silenced.

Mr. Howe (Port Arthur): If my hon. friend would be silent on occasion and talk less he would know more.

Mr. Stewart (Winnipeg North): There is a tendency in all governments when they have been in power for so many years to become corrupt. There is corruption mentally as well as corruption otherwise. There is a basic mental corruption here when there is the tacit assumption that the minister is there by some divine right of Providence. He is not. If the minister is going to present legislation to this house, he must be prepared to take the consequences of that legislation. Even his own colleague, the Minister of Agriculture, does not like what he is doing.

The minister himself does not like it, either; otherwise why would he threaten to withdraw it because a few C.C.F. speakers had rebuked him and said this measure was not good enough? The minister is afraid of it. He is going to withdraw it because he is afraid; he is hurt; he is piqued. He is going out; now I feel a lot better, having driven the minister out of the house. There are some things I want to say to him and I am sorry he is not going to stay to hear them. He is going to get them rammed down his throat just the way he would like to ram this legislation down our throats.

Yesterday the minister said, as recorded at page 990 of *Hansard* for February 8, 1956:

Well, we have been a long time on this debate.

How long was that time; how many days, how many weeks? It amounts to three days, two and a half days to be exact but we will say three days. We are now on the fourth day, and that is 33 per cent more. No wonder the minister feels so badly that he has left the house. I do not blame him. I continue quoting:

I think most members in the C.C.F. party from the prairies have now spoken twice.

His thinking is as faulty as his understanding of this whole subject. It was pointed out to him yesterday that each speaker had spoken once only, but if we all want to speak twice we will speak twice. We will speak as often as we want. If we feel we are representing our constituency by coming down here and fighting the foolishness of this government, we will do it. We know what we are paid to do and what we are expected to do. Then the minister said graciously:

I am willing to delay this matter.

He will delay it as long as we wish. We are going to battle it until we are satisfied we cannot get any more out of the government. Then and only then will we let it go through. The minister continued:

We will have to tell the banks we cannot carry out our undertaking now.

Can this be a surprise to the banks? The Liberal government cannot carry out its undertaking. In 1919 the Liberals promised health insurance, and they have never carried out that undertaking yet. Year after year they make promises, they give undertakings, and they forget about them. Their memories get very hazy. Why should the banks be worried? I am pretty certain that any farmers who can take advantage of this legislation have now taken advantage of it, and not many more farmers are going to get much help from it. Then the minister said:

I am willing to drop it until June . . .

Why does he mention June? We are willing to be here in June, July, August, September, October, November and December. We are paid to be here, so why should we not be here? If the minister wants to bring it up in June, well and good. If he wants to bring it up in December, all the better, because the longer we are here discussing these other matters which the government has given us, the more chance we have to see the mistakes,

the bungling, the errors and the confusion which permeates this whole administration.

Mr. Byrne: At the outset, Mr. Chairman, I wish to say—

Mr. Knowles: If the minister were here he would ask how many farmers you had in your constituency.

Some hon. Members: Order.

An hon. Member: Keep quiet.

Mr. Byrne: During the question period this afternoon there was some indication that the C.C.F. party raised some objection to the regulations having been based on legislation that had not the authority of this house. I cannot conceive any possible means for the government to have provided cash for the farmers on the western prairies without having used some such method as an order in council. If legislation such as the opposition is requesting had been anticipated, certainly that also would have had to have the legislative authority of this house.

Mr. Ellis: Can parliament not meet in the fall?

Mr. Gauthier (Portneuf): You are never satisfied anyway.

Mr. Byrne: Unless the C.C.F. opposition particularly wish to keep cash entirely out of the hands of the farmers they could not have raised a more serious question. We have heard some strong words used in this debate such as phony, pernicious, weaseling—

Mr. Stewart (Winnipeg North): Mistakes, bungling, confusion, error—I could give you a lot more.

Mr. Byrne: Perhaps I may be pardoned some indiscretion, Mr. Chairman. I am going to look up the actual meaning of pernicious. I find that it is "destructive, ruinous"—well, it applies to anaemia, too.

Since the debate began we have heard that the average loan to the farmers in the prairie provinces has amounted to $800. I understand that wheat deliveries provide that these loans from the banks shall be repaid in about 6 months. I hear no objection to that; therefore I presume that is a possibility. If so, then 2½ per cent of $800 would amount to approximately $20 in interest. The farmers on the western prairies must be in a much worse condition than I have ever imagined in travelling through the area if $20 is the difference between ruination and prosperity.

Mr. Johnson (Kindersley): You must have gone through at night.

Mr. Byrne: Since I am speaking of the actual financial position of the western farmer, I do not want the impression to go out that I have no sympathy for him. Certainly I have had close relationships with western farmers, as my father raised wheat for a great many years. On my return to Ottawa this year I stopped off and had a discussion with him. He reminded me of the days when he sold wheat for 18 cents a bushel. Those were tough times. However, he recalled other days when there was no wheat to be sold, and he had to ask for assistance to get seed to put into the ground in the spring. He certainly has seen very difficult conditions.

For that reason I have every sympathy for the farmer. The C.C.F. and the Conservative opposition would seek to create the impression that the Liberal party has no feeling whatsoever for the farm population of this country. Nothing could be further from the truth. To use language corresponding to what we have heard today, it is a downright lie.

I looked over the agricultural estimates and found that the total vote for agriculture this year is $77,716,091. A very large percentage of that amount is to go to the very areas and districts that my hon. friends represent at the present time. We have the Prairie Farm Rehabilitation Act and many other pieces of legislation which are for the benefit of the western farmer.

I have not been a member of the house long enough to know what the arguments were or who established the wheat board; but the fact remains that it has been operating for the last 20 years while the Liberal party has been in power, and it would seem to me they have done less to destroy it than the arguments that my hon. friends are presenting in this debate.

The wheat farmer is not entirely disregarded by the taxpayers generally across Canada. We have to remember that some few years ago, I believe it was in 1950, an appropriation of $65 million was taken from the general revenue of the country and given directly to the wheat farmers.

I come from a riding which is mainly industrial. It is not entirely industrial; there are a large number of farmers in that riding and for that matter some very large wheat farmers. As the representative of that riding in Ottawa I say that I did not go uncriticized by many of my constituents for having agreed without protest to the $65 million subsidy to the wheat farmers. I know we should hear all kinds of arguments to the effect that it was not a subsidy; it was a mishandling by the wheat board or the government through their inability to sell the wheat. The fact remains

that the wheat was being sold by the board under the agreement which my hon. friends opposite have supported in the past, and I am sure they have given every indication that they intend to support it in the future. They have asked for these things, but we gave in addition the $65 million without objection from members from all other parts of Canada.

This little group that has been isolated in a small part of Canada are putting up the last great stand, and they would have all the rest of Canada believe that we are down on the western farmers. That is the attitude of that little bastion of socialism. I am sure they would like very much to see the Liberals in this house join unanimously to oppose this legislation and oppose the legislation that is to be introduced later on in the session to give an additional $30 million to the farm population in payment of storage charges on their grain.

Let me compare the estimates of this year, and this year only—and of course every year it is much the same, except when such grants as $65 million are made at one time—and see what I find. There is a similarity. As I have said, agriculture is to receive $77 million this year. The appropriation for the Department of Labour is $73 million. This of course includes $35 million which is paid in a lump sum to the unemployment insurance fund. The unemployment insurance fund is financed by the employer, the employee and the government. The labour force in Canada today is something in excess of 5 million people. While I do not know the actual numbers, I would suggest that the heads of families being supported by farm operations number around 300,000. I am hazarding a guess, but I believe that figure is somewhere near the actual number.

Mr. McCullough (Moose Mountain): Are you discussing bank loans?

Mr. Byrne: I am amazed at the audacity of the hon. member, Mr. Chairman. He has gone back at least 30 years in this debate, and he seeks to project himself into the future, even into the next general election. That seems to be his aim. I am simply pointing these things out for comparison purposes, and not in opposition to the legislation. I know the C.C.F. party is going to oppose it. That party is going to vote against it; I am not.

Mr. Stewart (Winnipeg North): Are you going to the Senate?

Mr. Byrne: I have pointed out some of the things the general taxpayer is doing. He feels it is justifiable in an attempt to level out the gross national product of Canada. It is not objected to seriously. But what one does object to is this continual carping criticism and biting of the hand. That is the experience we have had in this house on this measure that proposes to do something more.

I might point out further that in the general economy of Canada the wheat farmer on the western prairies is also receiving substantial assistance through the maintenance of the Crowsnest freight rates.

Mr. Johnson (Kindersley): You really are against the farmers, are you not?

Mr. Byrne: The hon. member says I am really against the farmers. My humble and honest opinion is that the hon. member and those of his party on that side of the house would see the farmers go down to ruin just as long as they could be returned to this house. They know their party is going to ruin, and they would like to drag the western farmers down with them. I am not saying the Crowsnest freight rates should not be maintained—

An hon. Member: The railways have not lost any money.

Mr. Byrne: I know I have expressed some impatience, but if you will just have patience I will deal with that. British Columbia particularly has shared the brunt of this—

The Chairman: I hope that on this resolution we will not embark on a discussion of freight rates.

Mr. Byrne: I think I have seen the debate range far afield so I shall simply confine this portion of my argument to a few brief words—

Some hon. Members: Hear, hear.

Mr. Byrne: —and I will say that it costs one-third as much to ship wheat in Canada as it does in the United States. The loss must be made up by other freight rates and in other respects, and British Columbia and other parts of Canada are making that up in paying higher rates because of the inability of the railways to obtain compensating rates under the Crowsnest agreement.

Mr. Coldwell: May I ask the hon. gentleman a question? Has he read the agreement under which the Crowsnest rates were set up?

Mr. Byrne: I know all about the Crowsnest agreement.

Mr. Coldwell: If you do—

Mr. Byrne: If you, Mr. Chairman, will permit me, I will—

Mr. Coldwell: Just a minute. Does the hon. member know the Crowsnest rate was granted on account of a large subsidy which was given to the railway at that time?

Mr. Byrne: I know the amount of the subsidy and what they received, and if you wish me to continue debating it I shall be happy to do so.

Mr. Coldwell: You can do so on another occasion when there is an opportunity for such a debate.

The Chairman: I see that I was probably well advised to indicate to the committee a few minutes ago that we could not embark on a discussion of freight rates under the terms of this resolution.

Mr. Byrne: Well, Mr. Chairman, I have not left my subject entirely unstudied, and if the hon. member wishes to debate that question later on I shall be only too pleased to do so. I simply want to let him know that I have already asked this house to agree to the recommendation of Chief Justice Sloan to have these things adjusted—

Some hon. Members: Order.

Mr. Coldwell: He had better consult his own colleagues.

Mr. Byrne: The opposition seems to—

An hon. Member: The C.C.F. party, at any rate.

Mr. Byrne: Yes, we have heard more from the C.C.F. party than from any other party in the house. Some hon. members in that party seem to think the only place that any suffering has ever been experienced in Canada is within the province of Saskatchewan—

Mr. Coldwell: Oh, nonsense.

Mr. Byrne: I know; I have suffered there too.

An hon. Member: We think of your people, too.

Mr. Byrne: But it has not all been suffering; they have had some fairly good times. It has been shown by the Minister of Agriculture and the Minister of Trade and Commerce that they have had good years, and they are continuing to sell wheat at the same rate they have sold it in the past five years.

I grant that one hon. member said yesterday that one of his constituents wrote and told him he had been unable to deliver any grain since the fall of 1954. At the same time he went on to say it was because he could not deliver to the elevator of his choice. Well, if the constituent is so independent as to insist on the elevator of his choice, then he cannot be as badly in need of cash as the hon. member would seek to establish.

Mr. Coldwell: Would the hon. gentleman permit a question? Is the hon. member a trade unionist?

Mr. Martin: No.

An hon. Member: He certainly is.

Mr. Coldwell: Would you do something with which your organization did not agree, if you could help it? That is the position the farmer is in with the pool.

An hon. Member: You might as well sit down.

Mr. Byrne: Mr. Chairman, I suppose you could say that is an irrelevant question, but I certainly believe that if the farmer's principles are as strong regarding the question of delivery of wheat to an elevator of his choice as they are regarding this particular question as to whether the loan should be obtained from the bank or whether it should be obtained through the wheat board, then I think he has every justification for remaining away from it. But it has been shown here in the house and in the agriculture committee that this is not a principle over which the farmer would persist to the length of going hungry.

An hon. Member: They do not want to pay interest on their own money.

Mr. Byrne: I was saying before I was interrupted that the comparative wealth in the prairie provinces and those areas of industrial development might be further referred to in relation to the question of income tax.

The parliamentary assistant to the Minister of Finance told us the other day that during the war years a man earning $3,000 a year in industry was paying $884 income tax. I experienced this myself but I had not entirely remembered it. If we go through the tax records of the western prairies for those years we will find that the income tax paid there was very low. On the other hand, we know that when bonds were issued and the campaigns began, in many of those prairie regions the bonds were sold out before the issue actually opened. But in the industrial areas and in the mines where I worked we campaigned for two or three weeks and finally had to ask the companies to come along and finish it off, because we just did not have cash available with which to buy victory bonds.

I want to reiterate, Mr. Chairman, that we have every sympathy for the western farmers and we intend to put through this legislation that will be helpful to them. It is my intention, and I am sure it is the intention of the

rest of the so-called quiet backbenchers, to vote for an additional $30 million a year to pay farm storage. At the same time I want them to know that although we will have to face criticism, and we are prepared to face it, I do not think that calumny should be heaped upon us by the hon. members sitting opposite.

Mr. Quelch: I did not intend to speak again, but one or two statements have been made that I think should be corrected. I can assure the minister I am not speaking for the purpose of holding up this legislation, and I am not even suggesting that anybody else is; but a statement was made by the hon. member for Rosthern concerning a statement by myself, which I think should be corrected. I quote from page 628 of *Hansard*:

> The hon. member for Acadia indicated that in his area there were charges against the grain to the extent of in some cases perhaps 60 per cent of the value. If what is advocated by the opposition were done, and if advances were made against that farm-stored grain by the elevator company on behalf of the wheat board, what you would have would be this situation. When the time came to deliver the grain, the charges would have to be paid to the extent of 60 per cent and those loans would have to be paid to the extent of 50 per cent. There would not be enough to pay actually what was owing on the grain. Who would go short? Obviously the person who would go short would be the wheat board. As no statutory priority could be given to the wheat board, before any cheque could be issued to the wheat board all these prior liens would have to be met.

I was not in the house at the time, but the hon. member for Bow River interjected:

> The hon. member for Acadia never said there were liens on it.
> Mr. Tucker: I heard what he said.

I must say to the hon. member that if he heard, or if he thought he heard me say "liens", his hearing must have been affected by the gunshot, because I never used that word in my whole speech. Let me quote to him what I did say from page 616 of *Hansard*:

> As I say, a very large percentage of wheat is already pledged. Take the Morrin district, probably one of the best wheat districts to be found in western Canada. It is on the gumbo plains. I was told at that meeting that in that district 60 per cent of the wheat on the farm is already pledged.

I went on:

> The reason such a large percentage of that wheat has already been pledged is that heavy costs were incurred in the production of the wheat. Farmers were obliged to get bank loans to meet those costs, and they were obliged to charge bills with machine companies, stores and oil companies, and those bills exist at the present time.

I am talking about bills owing at stores. I am certainly not talking about liens. The hon. member for Rosthern knows the practice in the west as well as I do. He knows it is the practice during the summer, when the farmer is short of cash, for him to go to the local storekeeper or the local machine man, or to the oil dealer, and point out to the merchant that he has not enough money to pay for his stores or his supplies, and he asks the storekeeper to advance him these goods on credit and promises—here is where the pledge comes in—that when he threshes his crop he will pay that bill. There is no legal document of any kind signed; there is no lien signed; there is nothing transacted legally that compels that farmer to pay that bill when he sells his wheat. It is merely a promise he makes to the storekeeper, and the storekeeper knows from experience that the majority of farmers who make a promise of that kind will honour it.

Therefore, if the farmer received an advance on his wheat, what would he do? As soon as he got an advance he would immediately go around town and to the best of his ability pay the storekeepers the amounts he owed them. If the advance had been made at 50 per cent of the delivery, then half of the advance would be repaid and the other half would be used by the farmer to pay off any further bills he had not been able to pay when he first got the advance.

That is what I meant by the pledge. It is exactly the same as the Minister of Agriculture meant when he said the farmers would get an advance of credit from storekeepers, that in many cases the storekeepers were actually acting as the farmers' bankers. I was not suggesting that the farmer signs any note or legal contract which would have priority on an advance or a loan made by the wheat board or by the government.

There is another matter to which I wish to refer, and that is the statement made by the hon. member for Regina City. He referred to the fact that the members of the Conservative and Social Credit parties were supporting this legislation, and he implied that we were not acting in the interests of the farmers by so voting. Personally I feel that when we vote we are not voting in the interests of the C.C.F. party; we are voting that way because we believe it will be in the interests of the farmers to support this resolution.

If we had the alternative of voting either for this legislation or advances, unquestionably we would vote for advances, but we have not that chance. There is only one piece of legislation before us. We have no assurance whatsoever that if this legislation is turned down other legislation granting advances to farmers will be passed. We have

no reason to believe that, and so we are bound to ask ourselves this question. Would it be in the interests of the farmers today for the government to withdraw the legislation now before us? Would it be in the interests of the farmers for the government or the banks to stop making loans to the farmers? I am satisfied the farmers would not want that done at the present time. True, they would prefer advances, but if they cannot get advances they want loans.

I am not in any doubt about the attitude of the farmers in my constituency toward this question, because that whole matter was threshed out for a number of hours at meetings I attended last fall. At the largest meeting, held at Morrin, a meeting attended by farmers from Drumheller to Stettler and from Three Hills to Hanna, this question of government policy which had been brought to their attention at that time came up for discussion. Most of the farmers spoke quite bitterly against it.

Then the proposition was raised as to whether they should vote against the proposal and take a definite stand that they would not accept it. Much consideration was given to that question. The decision arrived at by those farmers was that they would like advances but if they could not get advances then they wanted bank loans. I was present at that meeting, and I was instructed by the farmers at that meeting to support this legislation if there was no other alternative. As I say, there is no other alternative at the present time.

What has been the attitude of the Alberta wheat pool on this question? At the last annual convention it adopted a 12-point program. In that whole program there was no mention of advances or loans. But during the conference there was mention of this question. The official wheat pool budget has this to say:

> Delegates felt that advances on grain, whether interest free or otherwise, were only an emergency measure and would offer no solution to marketing problems. They believe that farmers who find it necessary to borrow should get as favourable interest rates as possible, but they did not ask that the wheat board become involved in the loaning business for fear of jeopardizing its usefulness as a merchandising agency.

They have not much faith in loans or advances as a solution to their problems, but they feel that if loans are made they should be secured at the lowest interest rate possible. That has been our main criticism of the bank loan, namely that the rate of interest is too high and should be 3½ per cent. We have felt that instead of the government bringing down a policy under which the farmers can get bank loans, they should have brought down a policy under which advances could be made to the farmers who have grain in storage by the government itself without any interest, in other words a prepayment. The government could take ownership of the wheat. It could make an initial payment, and the balance could be paid when the wheat is sold. That is the policy the farmers believe in, but the government refuses to bring down that policy. The farmers say that if they cannot get that they would be glad to get the bank loans.

Many farmers today need help of some kind or another. We in this group make no apology for supporting this legislation. We are sorry we have to support it rather than advances, but the government controls the matter. They refuse to bring down advances, and we are certainly not going to vote against the farmers receiving this small help.

I received two petitions yesterday sent by farmers in my constituency. One is from the farmers' union and contains this clause:

> That while the present restricted delivery situation exists, provision be made for cash advances against grain stored on the farm, such advances to be equal to 50 per cent of the initial payment on an 8 bushel quota, and to be issued through the elevator system at not over 3½ per cent interest.

There they are talking about interest being charged at 3½ per cent. I say the government should reconsider the rate of interest and make it 3½ per cent instead of 5 per cent. Notice that they are talking about loans. I was surprised that they would do so in a petition, but that is the petition I received yesterday. Therefore we in this group would be in a very funny position if, when the government has told us, as they have told us, that they are not prepared to support advances but are at least prepared to let the farmers have loans, we should say that we were not going to allow the farmers to have loans. That is why we will vote for the legislation.

Mr. Knight: Mr. Chairman, there has been some discussion here about who has spoken on the resolution and who has not, and that sort of thing, but I want it to be clear that I am speaking on the resolution because I believe the people whom I represent in parliament would wish me to do so. My genial friend from Westmorland dragged me into the debate yesterday by referring to me in the early part of his speech. I could not discover what his object was. He complained because I had said that I thought our Liberal friends from Saskatchewan might get up and say what the farmers in their part of the country think about this matter, and he took me to task for that. I presume he thought it was too much to expect of any member of the Liberal party.

Mr. Studer: It will not be a socialist speech. You only represent the socialist farmers.

Mr. Knight: Of course when I hear remarks from the barn I like them to come out the front door.

Mr. Studer: Come out from behind your socialist shell and learn something.

Mr. Knight: I was going to say that perhaps the hon. member for Westmorland should stick to marsh hay. It is a bit salty—

Mr. Studer: I think you should stick to chickens.

Mr. Knight: —but it might be more palatable to him on that account. This, I think, has been a strange comedy of errors on the part of the government during the last week. After all, I have been here since 1945 and although I have seen isolated instances I have never in any week seen such a complete display of weakening, irresolution and indecision on the part of the government. I say that in complete sincerity, because I believe it.

I do not want to say too much about this matter today. The arguments have been pretty well covered, but I think there are two or three things that should be said by way of rebuttal to what has been said by some hon. members. I listened to the hon. member for Kootenay East. I realize that he is a labour man, and probably a good one. I say more power to him for that, but I assure him the attitude he has taken is not the attitude of labour generally across the country. That applies not only to the smaller unions in the west but to the larger unions in other parts of the country.

I am not going to take the trouble to put on record a letter I have here from the president of the Saskatoon and district labour council, but it is in full sympathy with the desires of the farmers in this regard. I may say to the hon. member for Kootenay East that the labour organizations were represented by their leaders at the Saskatoon conference which passed the resolutions about which he knows.

I am not going to enumerate the errors in this comedy of errors. One was made this morning by the Minister of Agriculture, when he pulled his latest boner without respect of even commas or periods. He stated that three Liberal members who represent farmers in the province of Saskatchewan had spoken in this debate, but only the hon. member for Rosthern spoke.

Mr. Studer: You just represent the socialist part.

Mr. Knight: The hon. member for Swift Current-Maple Creek is noted for nothing in this house but rude interjections and interruptions. Let him get up and make a speech. He knows what would happen to him at the next election if he did.

An hon. Member: He would make his own speech.

Mr. Knight: Let me come back to the Minister of Agriculture and deal with the climax of this comedy of errors which occurred the other day when my leader, the hon. member for Rosetown-Biggar, moved that we should leave this silly piece of legislation and go on with something that was important for the farmers of western Canada. There were only 36 Liberals here, including western members. That is all who were interested in getting on with this legislation that is supposed to do some good. The Minister of Agriculture was proven wrong this morning, for only one private Liberal member has spoken on this particular legislation, the hon. member for Rosthern. If the minister was here the other day, and I do not know whether or not he was—

Mr. Gardiner: Oh, yes, I was here.

Mr. Knight: —and if he had looked around when the vote was taken he would have found that the only Liberal member present from the province of Saskatchewan was the hon. member for Qu'Appelle.

Mr. Gardiner: Mr. Chairman, on a question of privilege—

Mr. Knight: Here we were discussing a subject that is on every tongue in western Canada—

Mr. Gardiner: In spite of the fact that I am a member of the government I am still a Liberal member from Saskatchewan.

Mr. Knight: —and the only private Liberal member here was the hon. member for Qu'Appelle.

The Deputy Chairman: Order. I do not propose to rise to my feet any more often than I have to, but I must request that members take their seats when I do rise. If the Minister of Agriculture has a question of privilege to raise, which frankly I cannot see at the moment, we of course will hear it, but if not the hon. member for Saskatoon will continue.

Mr. Knight: Mr. Chairman—

Mr. Gardiner: Mr. Chairman, on a question of privilege, the hon. member stated that I made a mistake this morning. In the first place, the house was not sitting this morning so he made a mistake this afternoon. Then he goes on to say that I referred to three Liberal members from Saskatchewan as having

spoken, and he says that is not correct. Then he proceeds to try to argue that there was only one.

All I want to say is that is not a correct representation of the position. I am a member from Saskatchewan. Two members from Saskatchewan have spoken in this debate, and I corrected the statement there were three later on the suggestion of the hon. member for Regina City.

Mr. MacInnis: Mr. Chairman, I do not think that was a question of privilege.

Some hon. Members: Oh, oh.

An hon. Member: Why not?

Mr. MacInnis: Keep quiet. I have kept quiet for you. That is not a question of privilege while the house is in committee. If the Minister of Agriculture or any other member—

Some hon. Members: Order.

Mr. MacInnis: —wants to make a statement or a speech such as the minister just made—

Some hon. Members: Order.

Mr. MacInnis: —he is entitled to make it, but he is not entitled on a question of privilege to interfere with another speaker. I think, Mr. Chairman, that phony questions of privilege should be discouraged.

Mr. Gardiner: I do not have the rules before me at the moment, but I have been working under them for a long time. My understanding of the matter is that if one wants to raise a question of privilege he has to raise it at the time the mistake is made.

Mr. Knowles: But it has to be a real question of privilege.

Mr. Gardiner: When the hon. gentleman gets up and refers to a statement I made as being wrong, if I do not raise the question then I have not much opportunity to raise it at any other time. There is a question of privilege when a member makes a wrong statement about another member.

The Deputy Chairman: Perhaps for the edification of the committee, though I doubt whether they will remember it very long, I might point out that the Minister of Agriculture is perfectly right in saying that he should raise a question of privilege the moment it arises. I should also point out that a question of fact, a debatable point, is not a question of privilege. It is a matter of personal explanation which, even with Mr. Speaker in the chair, it is usual to allow the member to correct at the conclusion of the speech of the member who has the floor.

I think it also fair to point out, and hon. members know this of course as well as I do, that when a matter of fact which particularly affects the statements or actions of one member is contested on the floor it is quite the usual thing for the member who has the floor to yield for a moment in order to allow the correction to be made, but he does not have to do so. That procedure can, I think, be described as a courtesy which members usually afford to one another, rather than a rule which the Chair can enforce.

Having disposed of the question of privilege—which was hardly a question of privilege—perhaps the hon. member for Saskatoon will continue.

Mr. Knight: Mr. Chairman, in so far as I have shown any discourtesy to the Chair or, in fact, to anyone else, I apologize. I was perhaps speaking in the heat of debate. I must say I did not notice that you, Mr. Chairman, were on your feet.

I think I had made the point sufficiently clear that when that particular vote was called the other day, there was in the house only one private Liberal member representing the people of Saskatchewan. If any Liberal member wishes to get to his feet and deny that statement he will have the opportunity to do so.

I had said that the Minister of Agriculture erred this morning. That word "morning" was a slip of the tongue. I have heard the minister himself make one or two of those slips. As to his knowledge of what is or is not a question of privilege, may I say this. I think he has been in the House of Commons about 30 years, and if he does not know—

Mr. Knowles: Only 20 years. It may seem like 30 years but it is only 20.

Mr. Martin: Twenty-one years.

Mr. Knight: In any event, he was in another important legislative body prior to that.

To get back to the topic under discussion, I also want to say a word or two about what my friend the hon. member for Kootenay East said about the $65 million grant. I take it that he looks upon it as a matter of charity to the western farmers. I want to point out to him that this grant of $65 million was given to the farmers of western Canada for the reason that all during the war they had subsidized the price of bread to the consumer in Canada. That grant was an adjustment. It was not a complete adjustment, but it was at least a partial adjustment for their sacrifices during those days.

Mr. Byrne: Will the hon. member permit a question?

Mr. Knight: No, not at the moment. I have had enough of them. There is another statement I want to find fault with in what he said. He stated that as this measure was for the benefit of the farmers, for that reason we ought to be prepared to support it. I am not prepared to admit that it is a measure for the benefit of the farmers at all. I say it is a measure for the benefit of the banks, or better still a measure for the guarantee of the banks.

I think this measure should be opposed. I think probably our group are not going to have any more members speak—although I do not know—on this measure in its first stage. It is true that this legislation is not vicious but it is harmful in this respect, that it is taking the place—and probably permanently—of some measure which might have been more useful. I think such a measure would have been one to provide advance payments through the wheat board.

There are one or two other matters I should like to clear up. I was talking about odd statements. I note that the Minister of Trade and Commerce has returned to the chamber. I am afraid we shall have to list him as one of those who were in error last evening. The minister made some remarkable statements. I am quoting directly from *Hansard* at page 990 where he says:

I think most members in the C.C.F. party from the prairies have now spoken twice.

As a matter of fact I had not spoken at all. No member of this party had spoken more than once on this particular resolution. Again the minister said:

We have had the same speeches made twice now, I think, by all the members from the prairies.

Again the minister was wrong. Even the minister can be wrong. He said further:

I now see—

And he looked at the hon. member for Regina City.

—a member getting up to speak for the third time.

Again the minister was wrong. Then he said:

. . . we are now down to the point of obstruction.

In my experience in this chamber, Mr. Chairman, I do not think that ever before has a debate lasting a couple of days been described as obstruction.

Mr. Howe (Port Arthur): How many days?

Mr. Knight: I think it is about 2½ days. If it is obstruction, it is for a reason. Then the minister asked a most astonishing question of my friend the hon. member for Regina City and he attributed tremendous power to this backbench member. This is what the minister said:

May I ask my hon. friend a question? Does he wish to block this bill? All he has to do is say yes, and the bill is blocked—

Says he.

—for several months.

I always knew that our Minister of Trade and Commerce was a man of tremendous power but I did not know that he could come into the House of Commons and, on the spur of the moment, and without consulting with the rest of the cabinet, say to the hon. member for Regina City, "All right; if you do not pass this bill we will withdraw it." What a strange power he seems to have. He, forsooth, is prepared to abandon legislation which he asserts would be good for the farmers of this country and good for this nation just because he happens to get angry with the hon. member for Regina City.

Of course I do not believe in a bluff like that. I think it was more or less a threat. But let me say this about that threat. If it was a threat, I am still prepared to vote against this resolution and take the consequences, because I know how odious it is to the people of western Canada, particularly to the farmers.

Let me say this to my hon. friends in the Progressive Conservative party and to my hon. friends to my left in the Social Credit party. If they conscientiously believe that this resolution is bad, they should vote against it. The only means of effective opposition to a measure, or the culmination of such opposition, should be a vote opposed to it. I do not see how they can escape those consequences.

I heard my friend the hon. member for Prince Albert who is a master of invective. I heard the tremendous indictment he made against the government. Let me quote some of it. As reported at page 977 of *Hansard* he said this:

I do not know anybody who is in favour of it . . .

That is this resolution. Then he went on to say with the exception of a few adherents of the Liberal party. Then he said that this was a stubborn and relentless disregard of the wishes of the people. I think those are his words. Can he then vote for it? He said it was a deliberate slap in the face of the western farmers. Are my hon. Conservative friends going to vote for something which is a deliberate slap in the face of the western farmers?

Then my friend the hon. member for Lethbridge, as reported at page 983 of *Hansard*,

said this, "Let no one suppose that in supporting this measure we are in any way whatsoever supporting it." Mr. Chairman, that is a nice exercise in semantics. He says, "Let no one suppose that in supporting this measure we are in any way whatsoever—"

Mr. Blackmore: Will the hon. member permit a question?

Mr. Knight: I will just finish my sentence.

Mr. Blackmore: The hon. member put in my mouth a word I did not use. I said, "approving of it".

Mr. Knight: Let me read it again.

Mr. Blackmore: Get it out of *Hansard.*

Mr. Knight: We will get it out of *Hansard.* Let me read the words again, Mr. Chairman. I am quoting from the hon. member for Lethbridge at page 983, at the bottom of column 1. This is what he said:

> Let no one suppose that in supporting this measure we are in any way whatsoever—

And since there has been talk of operative words, let me suggest that the operative word here is "whatsoever".

Mr. Blackmore: Continue with the quotation.

Mr. Knight: The quotation is this:

> Let no one suppose that in supporting this measure we are in any way whatsoever approving of it.

Mr. Blackmore: All right; that is what I said. There is a great difference.

Mr. Knight: Again I must apologize. I shall soon be in the class of the Minister of Agriculture.

My suggestion was simply this. We are opposing the thing and we are going to fight against it, as is our privilege. I know quite well we are not likely to win.

I just wish to say another word or two and then I am finished. I want to mention the treatment this matter has received from the hon. member for Rosthern. The hon. member mentioned two main points with which I take issue. In the first place, he made the statement that this legislation is in fact what the farmers requested. After all that has been put on *Hansard* in the last few days I do not think I need to say much about that. I have the resolutions here. I attended the Saskatoon conference for three full days; except for my meals I was never out of the room. I know what went on there. I know not only the letter of what happened at that Saskatoon conference, but I know the spirit. I know what the people meant. I know them personally. I know what they were thinking. There is not much good going into that. If anyone wants me to do so, I can read resolutions here by the dozen. They mention advance payments, and advance payments through the wheat board. They do not mention advance loans guaranteed by the banks or by the government.

You know, the hon. member for Rosthern is not the only one who has adopted that argument. It has been adopted by the Liberals in Saskatchewan who are trying to cover up the pussy-footing on this particular legislation. One of them, the leader, stated this very thing that the hon. member for Rosthern stated. He stated that the wheat pools were backing this loan business guaranteed by the banks. He was publicly rebuked, I take it, by the wheat pools themselves. I will just quote one line or two:

> The policy of the Saskatchewan wheat pools—

They tell Mr. McDonald.

> —as approved by its delegates in annual meetings is clear-cut. It does not favour the government's proposal for bank loans.

There it is. There is not much use talking about it any further. If the hon. member for Rosthern talked until he was blue in the face, it would not make any difference.

The next thing he tried to argue is that this particular legislation satisfies the demands made at the Saskatoon conference. Well, I have already said a word or two in regard to that, and I do not think I shall repeat it. I believe that is largely the story, and I just wanted to reiterate what I had said the other day about it. I cannot see how anyone can strenuously oppose this legislation and then vote for it. If I could paraphrase what the hon. member for Lethbridge has said again, that this business of support is in no way whatever to be taken as approving; well, I say again that is a problem in semantics. Does a vote in favour of the legislation not in some way or other approve of it? I leave that question to my hon. friends to the left and I also address it to my hon. friends to the right. I challenge them to say if they can continuously get up and condemn this legislation and then support it by a vote.

I should like to say a word about the statement made by the hon. member for Acadia. The hon. member would defend the action his party members are about to take because he says that this is better than nothing. I believe the hon. member for Lethbridge used somewhat the same expression, that half a loaf was better than no bread.

Mr. Blackmore: No, a morsel of a slice, not half a loaf; be sure you get these things right.

Mr. Knight: May I say that I was paraphrasing what the hon. member said.

Mr. Blackmore: Then get my words right; they are good words.

Mr. Knight: If the hon. member insists I will take the extra time to read it again.

Mr. Blackmore: Go ahead and read it, but do not state what is not true.

Mr. Knight: The point is this. Our claim is that in most cases the people who are going to get these bank loans and have them guaranteed by the government are the people who would have obtained loans in any case. We feel that most of those loans that are going to be taken out have already been granted. We do not believe this will be permanent legislation on the statute books, and we think, that being the case, that to put it on the books now would stand in the way of better legislation, legislation which the farmers want, namely a system of advance payments on stored grain and not loans.

Mr. Leboe: I only rise to ask a question arising out of the minister's statement concerning section 88 of the Bank Act. Do I understand from the minister that the banks can take section 88 security on wheat on the farms, and then under this legislation the farmer can borrow again from the same bank on that wheat? That is the question I would really like to have answered because it seems to me if they have it once they cannot get it twice.

Mr. Howe (Port Arthur): It depends on whether in this transaction section 88 covers a sufficiently large stock of the grain to make some room for a second loan. The section 88 security on the old loan may not require the full quantity of wheat, and if there is a surplus it is quite possible to get a loan on that surplus wheat even though section 88 applies against it, provided the section 88 coverage is held by the same bank.

Mr. Leboe: Mr. Chairman, would that include livestock as well as the first security that is taken in section 88 or is it just the wheat?

Mr. Howe (Port Arthur): It is just wheat.

Mr. Fleming: May I ask the minister, is there to be any limitation on the use a farmer may make of the funds he receives from the loan?

Mr. Howe (Port Arthur): No, sir, it is his money. The understanding is he will receive the money from the bank and do what he likes with it.

Mr. Fleming: There will be no strings attached to the use he may make of it?

Mr. Howe (Port Arthur): No.

[Mr. Knight.]

Mr. Drew: I am not going to make any remark except to indicate the position our party takes and why it has taken it. Since reference has been made by an hon. member of the C.C.F. party who just spoke a few minutes ago about the position of our party in this matter, I think I should make it quite clear.

We indicated at the outset that we did not believe this legislation is legislation which will meet the very urgent situation with which the farmers are confronted. We have put forward arguments which we hoped would still, at this stage, convince the government that they should adopt a system of cash payments on farm-stored grain with payments on the quota book. We have emphasized that position and we repeat it now. Nevertheless, following well established traditions, we say we will vote for a measure which certainly does not carry out what we would like to see carried out, but which at least does offer some assistance.

We still urge the government, independently of this legislation, to adopt the proposal we have made for cash payments on farm-stored grain. We have made it clear that this is a straight cash payment on the quota book, just as though the grain were delivered. We have made it clear that this is a payment without interest, because it is cash being given to the farmer for his grain, which is only being held up because it cannot be taken by the elevators.

This measure is separate and independent of that proposal. By supporting this legislation, inadequate though it may be, unsatisfactory in many respects though it may be, there will be placed on the statute books a provision under which farmers can obtain some money, if they see fit to do it in this way.

The fact that we are prepared to vote for this measure in principle, although we do not agree with the details, follows the perfectly proper and usual course. We wish to make it quite clear that we are continuing to place our urgent request before the government that they recognize the need for something quite separate from this, something much more flexible, and something which will make cash readily available to the farmers by payments in cash on their quota books for farm-stored grain.

Mr. Macdonnell: I wish to ask a supplementary question of the minister. In answer to the hon. member for Eglinton the minister said that the money borrowed would be free from any condition of any kind. Does that mean it would not be competent for the bank and the borrower to enter into any arrangement they might see fit between them specifying the use of the money?

Mr. Howe (Port Arthur): Mr. Chairman, we are talking about money that is borrowed under government guarantee. Much more money has been borrowed without the government guarantee than with it. I think the total loans granted on the prairies outside the government guarantee are about $70 million, and under the guarantee about $7 million. These guaranteed loans are intended to make provision for the man who has not established a credit at the bank, and whose resources are not such as to warrant the bank in giving him a loan without some endorsement. There are about 8,000 farmers who have borrowed under the guaranteed provisions as at the end of December, and they have borrowed about $7 million. These farmers are entitled to the money, to obtain the cash, and we presume they use it for a useful purpose; but the banks have no instructions from the government that the money is to be applied in any particular way.

Mr. Fleming: What limit, if any, is the bill going to put upon the amount available?

Mr. Howe (Port Arthur): The amount is $1,500 per individual loan, and a total of $50 million.

Mr. Coldwell: Mr. Chairman, I wish to say one word, since the position of the other two parties on this side of the house has been placed before you. We intend to vote against this measure, not because we wish to deny to the farmers of the west any small amount that they may get under this legislation. I recommend this consideration to my hon. friends of the other two parties in the house because, if this house votes in favour of the legislation, it will have placed its approval on all that the government intends to do. That is the reason we are voting against it. We are not going to vote for a measure which is inadequate, insufficient, and which means that the government proposes to do nothing more in this important matter than this particular resolution indicates.

We are making our protest in the only way in which members of parliament can make their protest. We are making a protest by our vote.

I should like to say one further word. My colleagues have endeavoured to discuss this measure, not with an idea of obstruction. May I say to my hon. friends on the opposite side of the house that the government makes its decisions. We are sent here to discuss the decisions of the government when those decisions are placed before us from time to time. We have no control over preparing anything to bring into this house. All we can do when it gets here is to express our opinions regarding the legislation before us without any thought of obstruction. Indeed, if the government considers that any group in this house is obstructing the progress of legislation in this house, then, under the rules of the house, it has the means to stop it. It can move closure. Therefore, when a minister rises in his place and says, "If you do not agree to this by six o'clock this afternoon, we are going to withdraw the legislation", that surely is not the way in which this house should be treated.

Mr. Howe (Port Arthur): I did not say that.

Mr. Coldwell: I say to the Minister of Trade and Commerce, no matter whether he or I may think that a debate has been exhausted by six o'clock, it is up to hon. members to decide whether they want to continue to discuss the measure before the house. Consequently, I say that the government always has in its hands the power to stop what it considers to be obstructionist tactics by moving closure. That power is in the rules of the house. We were not obstructing the legislation.

Mr. Follwell: Has the minister had any representations from the western wheat growers indicating they would prefer to market their own wheat rather than through the wheat board?

Mr. Howe (Port Arthur): Mr. Chairman, there are all sorts of opinions amongst the wheat growers, and I have heard that opinion expressed by certain wheat growers; but I am perfectly certain that the great preponderance of feeling in western Canada among the producers particularly is, that they desire to continue to market their wheat through the Canadian wheat board.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: No.

Motion (Mr. Howe, Port Arthur) agreed to: Yeas, 130; nays, 18.

Resolution reported and concurred in.

Mr. Howe (Port Arthur) thereupon moved for leave to introduce Bill No. 82, to provide for short-term credit to grain producers in the prairie provinces to meet temporary financial difficulties arising from inability to deliver all their grain.

Motion agreed to and bill read the first time.

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

The house resumed, from Friday, February 3, consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Applewhaite in the chair:

That it is expedient to introduce a measure for the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

Mr. Fleming: Is the minister going to make a statement?

The Deputy Chairman: I recognize the hon. member for Dauphin.

Mr. Zaplitny: Hon. members of this group approve of the resolution and for that reason it will not be necessary to spend too much time in discussion so far as we are concerned.

As a matter of fact, we showed our approval of the resolution rather more dramatically a few days ago when a motion of the leader of this group was instrumental in bringing this resolution before the committee ahead of the one upon which we have just had a decision; however, it was not the desire of the government to have it otherwise and we had to wait until this moment.

The decision of the government, which will I think meet with unanimous approval, to provide a part of the storage costs on the carry-over of grain, that part which is considered to be over the normal carry-over, is something which will be welcomed by grain growers across the prairies. It is expressing a reply to the demands made by the various farm organizations and by various hon. members of this house in previous times.

I can recall that in many previous debates hon. members of this group have strongly advocated action in this direction, and I particularly recall the hon. member for Moose Mountain doing so in one of his speeches as far back as 1946.

And while we approve of the immediate objective of this resolution, which we feel will be of some help at this time, I should like to say that there is a need for some long-term planning on this whole question of grain carry-over. I do not feel that this is a one-time proposition; I feel that we are going to be faced with grain carry-overs for many years to come.

Various hon. members, including the Minister of Agriculture, have stated in this house that it is a good thing on any farm to have a carry-over of grain from one year to another because it indicates a form of stability and an insurance against crop failure. I tend to agree with the minister that it is good to have stocks of grain on any farm, and if this is true of the individual farm then it is certainly true of the nation as a whole.

We are a trading nation; we are a big exporter of grain. Many of the traditional customers of Canada for grain will be looking to Canada for many years to come for a steady and reliable supply of the various grains they require. Therefore it is a good thing for Canada to have available in stock a reasonable volume of grain for quick shipment whenever and wherever it is required. However, if the nation as a whole is going to carry stocks of grain, then I think this resolution in itself is an admission of the fact that it should not be carried at the expense of the grain producer.

Even after this proposed legislation is put into effect the farmers will, of course, still be carrying a large part of the cost of storing grain in the elevators and all the cost so far as storing it on their farms is concerned. But this is a step in the right direction in that it introduces a new principle. It introduces an admission by this parliament that at least part of the responsibility should be borne by the national treasury. I believe there is a need for some long-term planning in that direction.

We have heard a great deal about the various ways of financing agriculture, particularly grain. I believe that much of the discussion we have had in the last few days could have been avoided if more careful planning had been entered into some years ago. I believe the best form of cash for grain in the farmer's hands is that form whereby the wheat board is able to accept delivery of grain and pay the farmer his money and take full possession and responsibility for that grain. That is the ideal situation.

When we get to the point where we will not have restricted quotas, when we achieve a situation wherein there is no congestion of box car and elevator space and we are still able to produce and move large volumes of grain in this country, then we can say we have reached a stage of orderly marketing. Until we have planning which will result in such a situation, we can hardly say that we have reached a stage of orderly marketing in the full sense of the word.

I am not going into any detail at this time because the consensus of the committee is that we want to carry this as quickly as possible, but I do want to express the hope that this government or any future government will take into consideration plans under which the wheat board itself may have at its

disposal greater storage facilities; not necessarily terminal facilities only, although those are important, but there could also be off-terminal facilities apart altogether from the country elevator system.

I think the Minister of Trade and Commerce and any hon. member from the western provinces will agree with me when I say that country elevators were never intended to be a place to store grain. Primarily elevators were places where grain could be handled and delivered and where cars could be loaded, in order to get the grain moving as quickly as possible. It was for this reason they were designed. But in the last ten years or so they have been attempting to perform a double function. While trying to handle the grain as expeditiously as possible the elevators have also been faced with the responsibility of storing grain. We have seen annexes built to the various grain elevators all across the prairies and we have seen what the results have been. There has been deterioration of grain and congestion due to the storage of grain in the elevators which has created a bottleneck in the system of orderly marketing.

I therefore hope that at some time the government will give some consideration to long-term planning in order to provide well constructed storage facilities so that grain can be kept for a considerable length of time without deterioration, so that we shall have an ample supply of grain in storage, storage for which would become the responsibility of the nation so that as a nation we will be in a position at all times to serve our customers quickly and expeditiously when orders arrive. In this way the bottlenecks and congestion which have bedevilled the whole system of orderly marketing in the last ten-year period will be removed.

Mr. Diefenbaker: Mr. Chairman, this is one of the occasions when we can all be in agreement, in so far as the principle of this resolution is concerned. It has been supported by this party for a very considerable time and, indeed, a very strong campaign was raised in behalf of a measure such as is contemplated in this resolution by the farmers' union in the prairie provinces. The achievement of this resolution represents the carrying into effect by the government of the desires of all the farming community that to a great extent produces wheat.

One of the situations consequent on the tremendous amount of wheat in storage in this country in recent years has been the fact that the return to the farmer is reduced by approximately $144,000 a day, which represents the storage charges paid to the elevator and storage companies on the amount now in storage in the elevators. Indeed, the storage and elevator companies are securing returns today far greater than was the case before the wheat board was established. The figure of $144,000 a day is a tremendous one, and farmers generally have felt, having regard to the fact that the government has assumed the responsibility for marketing their wheat, they should not be required to pay the storage over and above a normal amount of carry-over.

Whilst we support this resolution, I wish to point out one thing. It does not, however, while meeting the long-term needs of the farmer, do what is so necessary today, namely, immediately place cash in the pockets of the farmer. When one considers the immense increase in wheat production in recent years in the world, one begins to wonder how this problem will be finally met. The average wheat production among the wheat producing countries of the world, up till 1951 from the end of the war, was about six billion bushels a year. That amount was increased during the three succeeding years to about seven billion bushels.

With the new economic offensive of the U.S.S.R., which in part comprehends the adding of many tens of millions of acres to the production of wheat, one begins to wonder how this problem will be met in the years ahead. For certainly, if the U.S.S.R. carries into effect in the next five years its threatened policy to increase production of wheat and field crops by some 75 million acres, the surpluses that will be piled up in the U.S.S.R. and those countries that are joined with the U.S.S.R. under the Warsaw pact will bring about even more serious problems in respect to surpluses in the years ahead.

However, as far as this resolution is concerned, it is a step in the right direction. It is generally approved by all farm organizations. It represents an attempt on the part of the government to meet a problem which has become increasingly more serious year by year as the extent of the surplus of wheat has increased. Knowing that it is desired, representing as it does the implementation of the view that we on this side of the house have expressed on many occasions, we are going to support the resolution.

Mr. Quelch: Mr. Chairman, we in this group support the general principle of the resolution. On the other hand, we believe that the storage and disposal of surpluses can be dealt with satisfactorily only on an international basis. Unfortunately, in the past, nations have refused to co-operate to the degree necessary to make this possible, and attempts that have been made by the food and agriculture

organization to set up a world food board and an international commodity clearing house were blocked by the member nations of that organization. So internationally we have failed to deal with the question of surpluses, and today we find surpluses are still on the doorsteps of the nations that produce them.

One cannot help wondering what has happened to the ideals we heard so much about in the early post-war days. It was said that we should abolish want and poverty from the world and that never again should we agree to a policy of reducing and destroying production in the face of want. There is no question that farmers have made an excellent job of meeting the challenge of production. They have expanded their production to a point where there is today a very substantial reserve of wheat. However, at the same time, while those large reserves of food exist, 50 per cent of the population of the world is still hungry. One may well ask what is being done at the present time to get these large surpluses of food to the people who need them so badly. Internationally, as I say, we have done very little. What has been accomplished in that direction may be called a drop in the bucket. Today the United States is reducing its production and taking steps to bring about a reduction in wheat acreage. In Canada we are depending very largely upon crop failure to solve this problem. By that I mean this. To a very large extent the government is depending upon the normal channels of trade to sell the wheat. Therefore they would be able to sell only what is equivalent to a normal crop which, of course, will not reduce the surplus we have on hand. Therefore I say the success of the government's policy in reducing these surpluses will to a very large extent depend upon short crops or actual crop failure.

Of course, on the other hand, a change in trade policy would bring about a very substantial expansion of markets. I could not help noticing what the press reported Sir Anthony Eden as having said when he was in Ottawa a few days ago. I quote the report in the Ottawa *Journal* of February 7, 1956, headed, "Canada Must Buy More From U.K." It states:

> At a time when Canada is anxious to sell more goods, especially surpluses of wheat and other foods, Sir Anthony gave a plain warning that this country must expect to buy more as well as sell more in the British market.

Further on Sir Anthony is reported as saying:

> "Canada last year exported to Britain about twice as much as we sent you. We want trade to keep on growing but it is most important this unbalance is rectified."

I would especially draw that to the attention of the Minister of Trade and Commerce because in the past, when I have time and again insisted upon the need to try to bring about a balance of trade between Canada and Great Britain, the Minister of Trade and Commerce has said, "That is nonsense. We cannot balance trade unilaterally; it has to be done on a multilateral basis". Here is the Prime Minister of the United Kingdom telling Canada in no uncertain way that if we want to sell more to Britain we have to be prepared to buy more from that country. We have suggested that as a sign of good faith we could very well accept sterling from Britain under the definite understanding that that sterling would be used for the purchase of British goods. The minister has stated in the past that if we accept sterling under the understanding it will be spent in Britain there is no difference between that and accepting dollars. Let me point out there is all the difference in the world. When you accept sterling under the definite pledge that that sterling will be used to buy British goods it assures Britain a market for her goods. When you insist upon payment in dollars and then use those dollars to try to offset the imbalance in trade with the United States you are not expanding the sale of goods from Britain and you are not helping them in any way to balance their trade.

I think there is a mutual obligation between countries to do everything they can to bring about a greater balance of trade. Therefore I am suggesting that instead of depending so much upon short crops or crop failures to bring about a reduction of our surpluses we should take steps to try to bring about a better balance between the dollar area and the sterling area. In that way and that way alone can we hope to expand our sales to the sterling area.

I was very interested to note a press comment to the effect that the Minister of Agriculture was going to try very hard to sell more agricultural products to Britain. I hope he succeeds, but certainly in view of the statement made by the prime minister of England it does look as though he considers it is an obligation on the part of Canada to find ways and means first of all to expand Canada's imports from Great Britain, and until we are prepared to do that there seems to be little likelihood of our expanding our sales to Great Britain.

Therefore until we find ways and means of expanding our exports of farm products it looks as though further heavy crops will continue to expand our surpluses. Normal crops will in all probability leave the surpluses as they are. Crop failures alone will reduce

the surpluses. I am wondering whether the government is justified in believing that short crops will come about and reduce the surpluses. I believe that in the future crops in Canada will in all probability stay above the long-term average.

Let me briefly refer to the history of farm production for the past 40 years or so. It will be recalled that some 30 or 40 years ago most of our agricultural cultivation was done by the horse and the plough. It used to be the common practice to start breaking the prairie in early June and then later to start summer fallowing, probably in the latter part of June or in July. By that time the weeds would have grown fairly high and the soil would have started to dry out. In many cases the weeds would have gone to seed. In that situation the only likelihood of getting a good crop was in the event of excessive rainfall the following year. If you had a normal crop year you would get a poor crop. If you had a dry year you would have a complete crop failure.

That was the situation we were faced with in those years. But since then the majority of farmers have bought tractors. The farms are now highly mechanized, so we find the majority of farmers are able to get over all their land by machine in the first week of June. Using the tiller, the cultivator, the rod weeder and the one-way discer, they are now able to cover 20 feet in a swath instead of the old practice of 3 or 4 feet with a plow. As I say, as a result of that practice they are able today to cultivate all their land by the end of the first week in June, and land cultivated in that way and kept under proper cultivation throughout the year has an excellent chance of raising a good crop in just a normal year, of raising an excellent crop if you have a good crop year, and of raising a fair crop even in the event of a very dry year.

In my part of the country even when we have a very dry year we expect to get around 15 bushels to the acre and yet in the past, in the days when we had to use the horse and plow, we were very lucky indeed in a dry year to get our seed back. Now we use combines and they are a great improvement in harvesting methods. A combine leaves a trash cover on top of the soil which helps to prevent soil drifting so there is not nearly the danger of having a crop blown out by wind that there was in the days when we used threshing machines.

Some members will say that a combine makes the land weedy, but we now have sprayers which make it possible for farmers to spray the crops while they are growing even though the land does become infested with weeds. By the use of the sprayer the weeds can be destroyed while the crop is growing and weeds now are nothing like the menace they used to be in the old days.

Then there is a tremendous improvement in the varieties of wheat. We can greatly reduce the hazard from frost by using the early varieties that have been introduced. We can greatly reduce the hazard of rust by using rust resistant varieties. We can greatly reduce the damage by sawfly by using varieties that are resistant to sawfly.

Some members will say: Yes, but you have forgotten the fact that the soil is becoming depleted and is not nearly as fertile as it used to be. Of course there is widespread use of fertilizers in the west so even though the land is becoming less productive that can be taken care of by the use of fertilizer. I know that some members may say: Well, if all you say is true the farmer should be able to produce wheat much more cheaply today than in the past, but every single thing I have mentioned means a cost to the farmer. Mechanization has been a heavy cost. The use of fertilizer is a heavy cost. The price of a combine is a heavy cost. Therefore, while it is true that the farmers have been able to reduce the danger of crop failure to a very large extent, the measures they have had to adopt have been costly measures and do not permit them to produce wheat at a lesser cost.

So I would say that if the government is going to depend upon short crops or crop failures to reduce the surplus of wheat they may very well be disappointed unless, of course, the crop failures are on a world-wide scale. One thing, however, is very certain. The farmers themselves will do everything in their power to prevent a crop failure. They want a federal farm policy that will encourage efficiency rather than having to depend upon short crops to remove the surpluses.

I was very glad that the Minister of Trade and Commerce emphasized the importance of building up a substantial reserve of wheat and, furthermore, has acknowledged the responsibility of the nation to pay part of the carrying costs of that surplus. The need of a reserve is obvious when 50 per cent of the population of the world are hungry, but the surplus is due not only to heavy crops but to the failure to make wheat available to nations unable to procure their supplies through the normal channels of trade. Instead of depending upon crop failures to remove the surplus, we believe that we should bend our energies towards ways and means by which these surpluses may be made available to nations that are not able to obtain the food they desire through the normal channels of trade.

The farm organizations have made a number of requests to the government regarding payment of storage and carrying charges. I think the majority of the farm organizations have asked the government to pay the storage and carrying charges on all wheat in storage in the elevators at the end of the crop year. This resolution does not go as far as that. It leaves the responsibility for 178 million bushels with the farmers, and the minister assumes that the cost of the carrying charges will not go much beyond $32 million owing to lack of storage facilities, he says. If, however, the crop continues to be heavy, is the government prepared to see that additional storage facilities are provided to take care of the increase in the surplus?

As reported at page 847 of *Hansard* the minister had this to say:

> Therefore, the cost to the treasury this crop year will be about $32 million. What it will be in subsequent years will depend upon the level of board stocks, but it cannot go much above $32 million in any event because of the physical limits on storage capacity.

The question that immediately comes to my mind is this. What is going to happen if we do not have crop failures? If these heavy crops continue,—something which is quite a possibility—what is going to happen? When we had the second heavy crop we thought the third year would be sure to bring a short crop but we had another heavy crop. We have now had about four heavy crops. There is no assurance that we shall have a crop failure next year. As a matter of fact, conditions out west right now look to be quite encouraging. I think we all hope there will be another good crop. But if these good crops continue, what is going to happen to that wheat?

The minister says there is likely to be a limit of about $32 million on the cost of storage because there are not the storage facilities available to take more wheat. Then what is going to happen to that wheat? It appears to me that there are two alternatives. Either we shall have to build more terminal elevators and country elevators—and I understand there is a real need for the rebuilding of some of the existing elevators—or on the other hand I think the government should take steps to encourage farmers to build more granaries on the farm by allowing them accelerated depreciation, then—and I think this is an important point—include the farm-stored wheat that is in excess of a normal carry-over along with the wheat in the elevators at the time the government pays the storage charge, and then deduct 178 million bushels from that amount. It seems to me that that is quite a reasonable suggestion. I think the minister's suggestion that the farmers should be prepared to carry 178 million bushels in the country elevators and the terminal elevators is a reasonable one. Provided that the surplus wheat can be stored in the terminal elevators, that procedure would fairly well look after the situation. But from what the minister says I gather that there is no intention to increase the storage space in the elevators because he says that the charge to the government will not go much above $32 million. If large crops continue, that will mean that the farmers will be obliged to put the increased surplus in granaries on their farms. Hence, instead of having a normal carry-over, you will have far more than a normal carry-over on the farms. It therefore seems to me that a reasonable suggestion is to say that the excess carry-over on the farm should be added to the amount of wheat in storage at the end of the crop year and then 178 million should be deducted from that amount. Before the resolution carries I should like the minister to say whether he does not think that is a reasonable suggestion.

There is no question that this legislation is definitely a step in the right direction. However, it seems to me it has three main weaknesses. First of all, it ignores the heavy storage charges of two years ago. I think it was in 1953-54 that we had heavy storage charges. We feel that that matter should be brought into the operation of this act. I understand that the year 1954-55 is covered under this act. If I am wrong in that statement, perhaps the minister would correct me.

In the second place, we feel that this legislation ignores the abnormal carry-over on farms about which I have just been speaking. I think that excess carry-over should always be taken care of so that the excess carry-over on the farm can be added to the general carry-over and then 178 million bushels deducted from the total of those two.

In the third place, it ignores the fact that many farmers are obliged to hold the current quotas on the farm owing to the unsatisfactory distribution of box cars which in some localities results in the farmers not being able to deliver any wheat at all on the quota, others being able to deliver one bushel, others two bushels and others three. Just yesterday I received a letter saying that even up to then the farmers in a certain district have not been able to deliver any wheat on the one-bushel quota. All they have been able to deliver is the original three hundred bushels but so far they have not been able to deliver any more. But the minister states that at some points they have a three-bushel

quota. That seems to be an unfair situation. I am not suggesting that it is an easy one to govern. It is not an easy thing to have a fair allocation of box cars. I think the minister will agree that steps should be taken to remove that injustice by bringing back into operation the policy we had some years ago—I believe it was about 1948—under which the price of wheat was raised by one cent a month on the quota. That one cent a month would take care of the interest charges and would compensate those farmers who had not been able to deliver their wheat as compared with the farmers who were able to deliver a three-bushel quota. If that was done I believe much of the criticism would be removed as to the injustice that exists as between the farmer who has not been able to deliver any wheat and the farmer who can deliver three bushels because the farmer who was not able to deliver any wheat at all would be receiving one cent a bushel on each bushel that he should be able to deliver. In any event, I think a great deal of the inequity of the present situation would be removed. As I say, we are greatly pleased that this legislation is being introduced and we will support it. Before the resolution carries, however, I hope the minister will indicate what his reaction is to the idea that the excess carry-over of the farmers should be added to the general carry-over in the elevators and then 178 million deducted from that amount.

Mr. Argue: Mr. Chairman, I am pleased to rise at this time to support the resolution that is before the committee. In my opinion this is an extremely important resolution. By this resolution the government is taking a long step forward in its current wheat policy. I am sure the minister realizes the length of the steps he is taking or the distance he is going. I do not think that the $32 million—important as is that sum in this resolution—actually demonstrates the extent to which the government is going forward in its wheat policy. By accepting the principle that excess storage and carrying charges over a certain quantity of grain shall be paid by the national treasury, by continuing as I am hopeful it will the current initial price for wheat, the government is in fact accepting important responsibility for this large quantity of grain.

The minister has said that the existing storage facilities will limit the amount of the government's commitment in the future to something in the neighbourhood of $32 million. I do not think that statement is likely to be borne out. Certainly it will not be borne out unless there is a substantial change in wheat board policy and government policy as far as storing grain is concerned. I was pleased that the Canadian wheat board and the board of grain commissioners this last fall made it possible for many communities throughout the prairies to build large storage facilities, usually in the form of a quonset hut that, when emptied at some point in the future, could be used as a skating and curling rink. These quonset buildings, or rinks, are going up in one community after another. They will hold anywhere from 100,000 to 200,000 bushels of wheat.

The policy of the government as it is now before the house means this: It means that these buildings are leased to the elevator companies, the elevator companies pay storage that is paid for by the government through this policy to the community that owns the rink. The farmers in that area will be able to deliver from 100,000 to 200,000 additional bushels of grain, place it in the rink building and receive the initial payment with the government bearing the excess inventory and carrying charges when the crop year ends. That is one way of placing not just $32 million in the pockets of the farmers of the west, but a much larger sum of money because of the payment of the initial price by the wheat board and the expansion of storage facilities.

I should like to see this resolution extended. I see no reason why it should be confined to wheat only. We have large quantities of barley and oats in inventory at the end of the crop year. I can see no good reason why the provisions of this resolution, applying as they do now to wheat, should not be extended to cover oats and barley. I should like to see the 178 million bushel floor raised, and the provisions of this proposed bill extended, so that the grain in storage on farms may be covered by it. If the government would amend this resolution to allow storage and carrying charges to be made on off-site storage in excess of 178 million bushels, the government would be putting large sums of money in the pockets of the producers. It would not be difficult for the title to the grain in storage on the farms to be transferred to the elevator companies, the farmer to receive the initial price and the government to accept the cost of the carrying and storage charges.

If this legislation could be expanded at this session or at a later session it would remove, to a large extent, the need to discuss the subject that we were discussing in the previous debate for many days. I am underlining this provision to point out that the government, by this action, is taking a very important step forward in its wheat policy.

I want to associate myself with many of the remarks of the hon. member for Acadia, particularly those remarks having to do with the disposal of wheat in international markets.

I agree with him that so long as the majority of the people in the world are hungry, at least nutritionally hungry, it should be possible for governments in this day and age to see that the surplus food in certain countries is moved to deficit countries so that the people needing that food can have it available.

I am sorry that over the years Canada has not supported the idea of an international commodity clearing house or the idea of an international food pool, but rather has said through the Minister of Agriculture at the United Nations that Canada, as well as other nations, should handle the disposal of surplus products on a national rather than an international basis. Some fantastic suggestions can be made following that line of argument. I feel that if the member nations of the United Nations would endeavour once again to form an international food pool and an international commodity clearing house, call it what you like, we would be able to obtain a solution to our surplus problem.

I see the Prime Minister in the house, the Minister of Trade and Commerce and other members of the cabinet. The members of the cabinet appear to be in good attendance at this time. The Minister of Agriculture is not in his seat, but I am sure he is away on important business. Tonight's Ottawa *Journal* has a report of an interview with the Minister of Agriculture and the foreign secretary of the United Kingdom, Selwyn Lloyd, which has to do with the disposal of Canadian wheat. It says:

> The Canadian minister had assured a Windsor meeting recently that he would discuss possible further sale of Canadian food products with Prime Minister Anthony Eden and Mr. Lloyd during their visit to Ottawa.
>
> It was learned today that he had raised with Mr. Lloyd, as he had done once before with Sir Winston Churchill, the possibility of Canada encouraging immigration from the United Kingdom by giving some compensation.
>
> This time, Mr. Gardiner suggested, that the valuation might be 1,000 bushels of Canadian wheat for each immigrant. When the wheat was sent to the United Kingdom, the federal treasury would pay the Canadian wheat board which supplied the grain an amount which would be approximately $1,500 at present wheat prices.
>
> Mr. Gardiner's plan, not offered as a government proposal, is designed to achieve two purposes—adjust the imbalance of trade now running two to one in favour of Canada and increase the number of United Kingdom immigrants to Canada, 30,150 in 1955 compared to 44,593 in 1954.

Let no one think that this is not a very extensive suggestion because at $1,500 per immigrant in 1955 the wheat board would have received from the national treasury $45 million. I am all for more immigrants coming to Canada. I am all for more immigrants coming here from the United Kingdom. I do not see why the Minister of Agriculture should confine his suggestion, as apparently he has done, to persons coming to Canada from the United Kingdom. He might have extended it perhaps to France. They may not need wheat, but they may have taken some surplus butter, pork or something else. Perhaps the policy might have been extended to Germany or to Italy. I should like to know from the government whether or not this policy has ever been discussed in the cabinet, whether the government is giving it serious consideration or whether it is just another figment of the very fertile imagination of the Minister of Agriculture.

Mr. Pearkes: How many bushels will the Minister of Citizenship and Immigration require for a Canadian baby?

Mr. Argue: That is a very good question. We might like to hear him comment about it. If this policy could be extended to other nations, I wonder if the Minister of Agriculture is going to pay 1,000 bushels of wheat for each immigrant from each nation or is he going to vary the amount? I wonder what immigrants from France might be paid, or from West Germany or Italy. I think that shows just how bankrupt the Minister of Agriculture and the government are when it comes to dealing with this important question of the disposal of wheat.

Other suggestions have been made that the government might pay a good deal more attention to. I hold in my hand a publication issued by the Saskatchewan wheat pool. It is entitled "Wheat Policy for 1956". At this point I wish to congratulate the Saskatchewan wheat pool board of directors and all of those people who had anything to do with drawing up the Saskatchewan wheat pool's 1956 policy. As far as farm policy is concerned, this is an indication of new and forward thinking in the farm organizations. I want to read the program because I think it is of great importance. The first plank is: "Maintenance of the wheat board for grain marketing". I think that will assure the Minister of Trade and Commerce that in spite of the Saskatchewan wheat pool's advocacy of cash advances its No. 1 plank, its 1956 wheat policy, is maintenance of the wheat board for grain marketing. I might say I am sure the Saskatchewan wheat pool would be glad to see the wheat board legislation expanded to include all grains, to include rye and flax.

There may be some who think that because it has been difficult for farmers to market wheat during the last few months it is the fault of the wheat board, it is the fault of the system of orderly marketing. I do not think that is so at all. I have had criticism to make

of the wheat policy that is followed. No doubt I shall have criticism to make in the future, and I shall have criticism to make in this statement. But I do not think the difficulty in the selling of Canadian wheat is in any way the fault of the wheat board system of marketing grain or of the personnel of the wheat board. On the contrary, it can be attributed to international difficulties, currency difficulties and certain aspects of the government's trade policy.

It is true that farmers have been able to get rid of a substantial quantity of flax on the open market. Some may think that because they have been able to get rid of a substantial quantity of flax, by using the open market facilities, the open market is a superior method of marketing grain. Ask the prairie producers today who sold all their flax last fall before the large price increase what they think of the speculative market in flax, and they will tell you they do not like it. They would far rather have the wheat board handling flax so that the producers of flax, if they had the right, could deliver it to the wheat board and get in any crop year the same price for flax as other producers.

Mr. Trainor: The price would be less.

Mr. Argue: The wheat board comes before the agricultural committee every year and demonstrates the efficiency of the wheat board method of marketing grain. I should like to see the hon. member for Winnipeg South on the agricultural committee to advance his ideas, whatever they might be, and I am sure they would be properly dealt with by the wheat board officials.

The wheat board system should be extended to the marketing of rye and flax. I go one step farther. I see no good reason why the wheat board should be using the facilities of the grain exchange in selling oats and barley.

The second plank is: "Renewal and expansion of the international wheat agreement." That is a further projection of orderly marketing, or of government responsibility in the marketing of wheat. The reason we are having difficulty in the marketing of grain today, in my opinion, is not the fact that we have orderly marketing, with the government taking some responsibility at home, but the fact that the government's responsibility very largely ceases to exist the moment the wheat board has control and ownership of the wheat. If we can obtain an international wheat agreement, with the United Kingdom in that agreement, then this further extension of government responsibility in the marketing of grain may make it possible for producers in Canada to sell larger quantities of grain at satisfactory prices.

I should like to see the government do something more. I am hoping, as I say, that a new international wheat agreement, with satisfactory prices and satisfactory quantities, may be signed; but I wonder why the Canadian government itself should not sit down with the governments of other nations and enter into contracts for the sale of Canadian grain over a period of years. Why should not the Canadian government, through the wheat board, attempt to sell substantial quantities of Canadian wheat to importing nations at agreed-to prices over a period of years? Perhaps the government would be prepared to do that; but in order to make such a policy feasible and practical something else has to be done. Our government should stand prepared to enter into contracts, with nations that would take our wheat, for the purchase of the goods that those nations can produce and wish to sell.

The government prides itself on believing in the capitalist system, and so do the members of the Conservative party. As I have sat in this house over the years and have seen legislation promoted by the government, it has seemed essential and necessary for the government to accept ever greater and greater responsibilities for the welfare of the people of the nation. I expect that, in the future, governments of the world must of necessity accept greater and greater responsibility for the marketing of grain. In my opinion, the days of free trade in grain are over and done with. If we continue to tie our wheat policies to a so-called system of free trade on the international markets it will probably be as unsuccessful as tying our domestic sales of grain to the so-called free market at home, which, of course, is the Winnipeg grain exchange. We shall obtain a solution to our wheat problems and to our marketing problems when this government accepts a greater measure of responsibility for the marketing of such grain.

I know the government criticizes the policy adopted by the United States government. Even though we may criticize their policy, the United States government is able to sell larger quantities of food products on the markets of the world, and we would be selling less and less wheat if the Canadian government was not able at this time—and I am very pleased that it is able at this time—to enter into contracts for the sale of grain to countries behind the iron curtain. Because the United States government, under public law 480, stipulated that they could not sell food products to communist countries, Canada has been able to increase sales of Canadian wheat, butter and other commodities to those countries.

Wheat

In his message to congress President Eisenhower asked the United States congress to delete from public law 480, section 304. Section 304 is the section which makes it impossible for the United States government to sell food products to iron curtain countries. Therefore, the time remaining for the Canadian government to increase its sales to such countries may be growing shorter and shorter.

The attitude of the United States government, a republican government, is not to get out of sales of wheat on the international markets, but rather to increase the scope of such sales.

The third policy outlined by the Saskatchewan wheat pool is: "An initial price of $1.40 for the 1956-57 crop year". The fourth statement in its wheat policy: The national treasury to make up any difference between the final realized price on the sale of the present year's crop and the I.W.A. minimum of $1.55 per bushel. In my opinion that too is an extremely important plank in wheat pool policy. It is saying to the Canadian government that it is no longer prepared to accept a continuing drop in wheat prices paid to Canadian farmers but is asking the government to put under prices a floor that will be received by the producers although to obtain such a floor money may have to be paid from the national treasury.

Five: The government of Canada to assume the carrying charges on all grain in store in Canada at the end of each crop year. That plank is being implemented to some extent at this time.

Six: A price of $2.05 a bushel on wheat used for human consumption in Canada. If that were adopted it might have resulted in an increase of one cent per loaf in the price of bread and it may not have resulted even in that small increase.

Seven: Maintenance of an aggressive sales policy including the arrangements by the Canadian government of suitable credits for wheat buyers, the acceptance of sterling and other currencies and the participation in famine relief programs and the economic development of backward countries as a means of increasing potential markets for Canadian wheat.

The measure before the house this afternoon has a great deal to do with the size of the final payment for the 1954-55 wheat pool. When I asked the Minister of Trade and Commerce recently when a final payment might be made, he said, "I cannot say anything about it; I cannot say anything about an interim and final payment until the grain storage bill has been approved." Well, we have the grain storage resolution before us at the present time and we have already had the announcement that an interim payment of ten cents a bushel is to be paid on the higher grades of wheat. I have welcomed that announcement but I do believe that the time is here when the government should announce not just the interim payment but also the final payment, the total payment to be made on the 1954-55 wheat pool.

It used to be the policy that when a farmer delivered a load of grain in the fall he obtained his initial price. He could look for an interim payment the following February, about mid-winter, and a few months after the close of the crop year, and usually before Christmas, he could look for a final payment. This was a highly satisfactory operation as far as the producer was concerned.

However, in the last two or three years the interim and final payments have been delayed for longer and longer periods. The interim payment that was announced the other day is one year late; ordinarily, as I say, it is made in February of the current crop year. On this occasion it is announced in February of the year following the end of the crop year. If the final payment should be made as late as the interim payment, then the final payment will not be made for many months to come. I hope that is not the case. I hope the government will announce the final payment now.

The only argument against making these payments at regular times so the farmer can plan his business is the statement that we do not know when we will be able to sell the carry-over or whether the international price will go up or down and to state a final payment and to close out the crop year may mean that we are making a final payment that is too high or too low depending on the prices for which we are able to sell our grain in the next crop year.

I would suggest that when wheat is grown in a good year it is ordinarily to be marketed in the coming crop year and that the greatest amount of fairness and equity can be obtained if the crop year in which the grain is marketed is closed out; in other words, if the wheat pool is closed out at an early date, shortly after the end of the crop year, July 31, and it is closed out on the basis of the current price for wheat at that time. If the price of wheat should go down, then of course the payments for the next crop year will go down, but that will be on the current crop. I do not think a good argument can be made in favour of such long and continuous delays in making these final payments.

In conclusion, Mr. Chairman, I have a few suggestions that I wish to repeat. I should

like to see this legislation made permanent. I should like to see it extended to barley and oats and to cover larger quantities of grain, and I should like to see it extended to grain on the farms. I should particularly like to see the government establish a floor price of $1.55 for wheat as was suggested by the Saskatchewan wheat pool. I do not think that is a sufficiently high price but certainly it is a minimum price. I believe the government should have the wheat pool accounts closed out at regular times and regular amounts of money should be paid based on the floor price I have suggested.

The government should continue to support the establishment of a new international wheat agreement and there should be an expansion of sales in the international markets in the way I have suggested.

The Chairman: I understand that the Prime Minister has a statement to make. I wonder if I might rise and report progress and request leave to sit again later this day?

Some hon. Members: Agreed.

Progress reported.

THE MINISTRY

PARLIAMENTARY ASSISTANTS—ANNOUNCEMENT WITH RESPECT TO APPOINTMENTS

Right Hon. L. S. St. Laurent (Prime Minister): If I might have the permission of the house to revert to motions, I might announce for the information of the house the appointment of the following parliamentary assistants: Mr. J. A. Blanchette (Compton-Frontenac), until now parliamentary assistant to the Minister of National Defence (Mr. Campney), to be parliamentary assistant to the Minister of Labour (Mr. Gregg); Mr. Lucien Cardin (Richelieu-Vercheres) to be parliamentary assistant to the Secretary of State for External Affairs (Mr. Pearson); and Mr. Paul Hellyer (Davenport) to be parliamentary assistant to the Minister of National Defence.

I shall now table copies of the order in council relating to these appointments.

PARLIAMENTARY RESTAURANT

Mr. W. G. Weir (Portage-Neepawa) moved:

That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Bennett, Messrs. Buchanan, Caron, Ferguson, Gauthier (Nickel Belt), Gingues, Gour (Russell), Hardie, Harkness, Herridge, MacNaught, Mang, Masse, McGregor, Michaud, Monette, Pommer, Richard (Ottawa East), Mrs. Shipley, Messrs. Simmons, Stewart (Winnipeg North), Stick, White (Hastings-Frontenac), Yuill, to assist His Honour the Speaker in the direction of the parliamentary restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the restaurant.

Motion agreed to.

WHEAT

PROVISION FOR PAYMENT OF CARRYING COSTS OF TEMPORARY EXCESS RESERVES

The house resumed consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure for the payment of carrying cost of temporary wheat reserves owned by the Canadian wheat board in respect of board stocks of wheat in excess of one hundred and seventy-eight million bushels at the commencement of a crop year, such payment to be made to the board by the Minister of Finance out of the consolidated revenue fund.

Mr. McCullough (Moose Mountain): May I call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. McCullough (Moose Mountain): Mr. Chairman, the house has before it at the present time a resolution to bring in a bill that will provide for storage of wheat in Canada at the end of the crop year. This will in effect provide for storage costs on 178 million bushels of wheat.

I am sure all hon. members of this house will in a degree be happy that the government has at least awakened to the seriousness of the marketing situation in Canada. Personally, I feel that the provision for the storage of grain in Canada to be paid for out of the federal treasury is a matter which should have had attention by this house and by the government of Canada at a much earlier date.

Whilst we are very happy that the government is now bringing in this legislation, I do not feel for one minute that it meets the situation confronting Canadian agriculture. I might say that since 1945, when I first came to this house, I have advocated a policy which would embrace the principle of the ever-normal granary. Before I came to this house and since, I know many members of this party have endeavoured to convince the government that it had not launched an aggressive policy to meet the needs of Canadian agriculture. So this evening I desire to treat the problem from two points of view, namely the economic viewpoint as it affects Canada, and, rather briefly, the effect which

our own program may have on world politics and, indeed, on the whole free world.

It seems to me that the federal governments we have had in this country have never come to grips with the problem of conservation. I feel that this measure may be perhaps, to some extent, an awakening to the need for conservation of our soil in this country because, in effect, it will make it possible for the people in the hazardous occupation of agriculture to have a small degree of assistance in respect to their occupation.

Agriculture, of course, is a very hazardous occupation. When the farmer sows his grain, he has no way of being assured that he will reap a harvest. He has to take the chance on all the hazards in connection with the growing of that crop. Anyone connected with agriculture will realize that these are varied and many. He has to depend upon good weather, the vagaries of nature, rust, insects, pests and weeds and everything connected with the growing of wheat. To date the agriculturists and the people who are producing wheat in this country have to a great measure met the challenge of modern methods of production. Today western agriculture is highly mechanized and highly scientific. We have found ways and means of producing larger crops. In order to grow bigger crops, we have also learnt how to cultivate new strains of grain, how to spray our crops in order to eliminate weeds and, of course, with new varieties and new techniques of production, I think we have met the production problem.

The greatest problem facing the agriculturists and the farmers of the west is one of price. I feel that agriculture is in a precarious position. If any hon. member of this house feels that the whole economy of this country is not closely dependent on the prosperity and the health of agriculture, he has been very badly misled. If we do not have a prosperous agricultural economy, or the 10 or 12 per cent of the people engaged in agriculture are not in a prosperous condition, it will affect the whole Canadian economy. Indeed, I recall that in 1945, when I came to this house, we saw a delegation come to this parliament building and meet some of the cabinet ministers. It was a labour delegation interested in the welfare of over 6,000 workers who were unemployed in the farm machinery industry.

So it is that we welcome this resolution today which proposes to pay storage on 178 million bushels of wheat at the end of the crop year. I would like to see this legislation made a permanent piece of legislation and a permanent policy for this country. I would like to see it extended so that it would include a greater amount of wheat and so that we would have a proper vision of the picture, so that, instead of a nominal 178 million bushels, all wheat in Canada would become the property of the people of Canada and be stored at the expense of the federal treasury. What I have in mind is the picture of an ever-normal granary where we would store, having produced the wheat, not only enough for our domestic consumption, which is around 70 million bushels per annum, but also sufficient to meet all the sales we can achieve and, indeed, in the years of plenty, so that we would store for the years of scarcity. This government is rather short-sighted when it cannot even read the biblical treatment of this subject, in which we are told that in Egypt in the years of plenty they stored for the years of scarcity. So I think we should ask this government at this time to take a second look at this legislation and include in the bill means by which this government would take over all the farm grain and, as the hon. member for Assiniboia indicated this afternoon, take over also coarse grains and barley that farmers may wish to deliver to the wheat board.

As I have already indicated, this is a step in the right direction. I welcome it on that basis, but I feel that some responsibility for this problem has been accepted at long last by the government simply because the government knows that agriculture today, in every phase, is in a precarious position—our livestock marketing, our hogs, our beef and our grain as well. I wish to speak particularly about the grain situation because that is what this measure deals with. I asked this government for a return showing the number of trade commissioners the government had sent to posts in various parts of the world. The return indicated that there were 85 trade commissioners at 54 posts abroad. I asked how many of these commissioners were appointed with exclusive instructions to sell Canadian wheat and I was astounded to learn that not one single trade commissioner had been posted for the express purpose of selling Canadian wheat. When agriculture is our primary industry I think there should be at least some trade commissioners posted abroad whose explicit and sole duty will be to sell Canadian wheat. If that had been done it is my opinion we would not need to be worrying today about how our farmers are going to get some cash in their pockets in order to carry on their business and pay their debts.

I have said something about the government waking up to the problem confronting agriculture in this country. I know now that in some measure the government is waking up to the depletion of our forest resources and is at long last realizing that we need

conservation in that regard, but very little, if anything, has been done with respect to soil conservation. In the last few years the farmer's income has been going down and his costs going up. He has been caught in a price squeeze. Because of this fact, the hit-or-miss policy applicable to agriculture and the vagaries of a system whereby he cannot tell from year to year what his income is going to be, he cannot launch upon a proper and wise soil conservation program in his farming operations. Neither can he follow proper land utilization. If a farmer is going to do these two things, namely, conserve the nutrient content of the soil and practise soil conservation measures so as to have the ultimate use of his land, he must know whether he is going to get a fair return when he engages in one type of production or another.

If we are fighting to try to preserve freedom, if we are trying to preserve those things in our democracy in which most of us believe, then I feel that this measure does not meet that need. Therefore I hope the government will reconsider it. If they do not do so at this session I hope that when they have made this first halting step they will see fit subsequently to bring in more adequate legislation to establish the ever-normal granary. For the benefit of the people of Canada and, indeed, to feed hungry people throughout the world, an ever-normal granary policy should be established in this country.

I should like to deal briefly with the effect that I think the program outlined in the resolution will have on the world picture. We are, I am sure, all interested in orderly marketing. The farmers of western Canada have endorsed such a policy and supported the Canadian wheat board for many years. We believe that the old type of marketing under the Winnipeg grain exchange was not in the interests of the western farmers and, indeed, was not in the interests of the Canadian people. When the members of the C.C.F. party come to this house and try to express the opinions of the western farmers I think we are doing a service to everyone in Canada regardless of their occupation. Whether a person lives in British Columbia or Nova Scotia their income and standard of living will be affected unless a fair deal is given to the people who work in that great breadbasket of western Canada to produce wheat to feed our people and for export. The government must wake up and see that from the point of view of trading our wheat and engaging in international commerce we should establish in this country a stock of grain on the basis of which we can enter into long-term agreements with other nations. I feel it is rather presumptuous on the part of the government to expect importing countries to enter into agreements with us on a long-term basis if the government and the country are not prepared to guarantee delivery of grain to these countries under such an agreement.

That has been the situation in the past. We have had no program. The onus and responsibility for growing the wheat and storing it has been placed entirely on the backs of the western farmers. I am happy that the government has seen fit to go at least this far. I think each and every one of us realizes that a tremendous fight is going on throughout the world. It is a fight of ideologies, a fight where the ideology that will catch the imagination of men's minds will be successful in the end. If we join with other countries to bring about an international food bank out of which we can help to feed hungry people throughout the world we will have done more for democracy and the freedom of the world than all the munitions of war we can ever hope to produce. I am very happy that here at least is the first faint beginning of that sort of thing.

I realize that in the international field you have to have international co-operation, but perhaps one reason why we have not been successful in that regard to date is that we have never been prepared to do it at home. I sometimes think that the government is more interested in trying to maintain something which is as dead as the dodo, namely, the capitalist system, the free enterprise system. There is very little free enterprise of any sort left. I could have brought into the house a whole stack of reports of investigations under the Combines Investigation Act which would have shown clearly that there is very little free enterprise left and that on the other hand there is collusion and price fixing so that free enterprise is pretty well removed from our country.

Getting back to the international picture and a world food bank, in the final analysis I believe food may well be the deciding factor with respect to whether we shall have a free world or a world enslaved. I am very happy to support the resolution.

Mr. Decore: Mr. Chairman, before I say a word or two in connection with the resolution I should like to refer to the announcement made by the Prime Minister before six o'clock and take this opportunity to congratulate the hon. member for Davenport and the hon. member for Richelieu-Vercheres on their elevation to the post of parliamentary assistant. I am sure I express the sentiments of all in the house when I say that the Prime Minister's choice was not only

wise but meets with the approval of members on both sides of the house. I wish these two young members every success in their new and added responsibilities.

With respect to the resolution before us, I think it is certainly most gratifying, after what we have heard about wheat in the last few days, to hear such hon. members as the hon. member for Prince Albert and the hon. member for Assiniboia say that the government has taken the right step in the right direction. The fact is that the government has been in power for the last 20 years, and the reason it has been in power that long and the reason it has the confidence of the people of Canada from coast to coast is that it has the knack and ability to take the right step in the right direction.

Everybody knows, including hon. members of the opposition, that Canada is fortunate to have a man of the calibre of the Minister of Trade and Commerce dealing with the wheat problem at this time, a problem that is international in scope and similar to the one we had in the early thirties. We find that the wheat board has been successful in selling better than average crops in the last few years and at the same time maintaining a fairly high price level. As I say, when you compare that with the situation in the early thirties we find that in my part of the country the farmer was getting a price as low as 19 cents a bushel for his wheat. What the farmer wants is to have this type of policy pursued. He would sooner sell one bushel instead of two bushels for the same price, and keep the other bushel at home.

The wheat surplus problem is one which affects not only the western producer but the whole economy of Canada. The Minister of Trade and Commerce recognized this fact when he made this statement as reported at page 846 of *Hansard*:

> At the present time, however, I think there is a broad measure of agreement that it is in the interests not only of wheat producers, but of the country as a whole, that the wheat board should follow an orderly policy in disposing of its large holdings and not resort to panic methods of selling or giving-away. The experience of the 1930's is too fresh in the memories of all of us for anyone to suggest that attempts should be made to clear the shelves at any price.

Then he goes on further and makes this statement:

> This proposal may, therefore, be regarded as a contribution, and an essential contribution, to the stability of the wheat economy of the prairie provinces and an indirect contribution to the stability of the whole Canadian economy.

We find that to the farmer this means a matter of 15 cents a bushel on the surplus that is under consideration or a total of some $32 million which represents purchasing power in the hands of the buyer. It is something which not only will help the western producer but will benefit our national economy as a whole.

The important point to remember about this proposed measure is that it is retroactive. However, I should like to make a suggestion to the Minister of Trade and Commerce. It could easily happen—and we hope it will—that we have another bumper crop in western Canada this year. Of course, if we have another bumper crop we shall naturally be confronted with acute storage problems. I should like to offer this suggestion. While I do not think it will cope with the problem completely I think it will probably go a long way toward covering the situation.

During the last 2½ years I believe storage facilities have been increased substantially, to the extent of some 40 million bushels. One of the reasons why that was done was the accelerated depreciation which has been offered to grain companies whereby they would be able to write off for income tax purposes in three years, I think it is,—I do not know whether it is three years or five years—the buildings they put up for the storage of grain. If we should be confronted with another bumper crop, I would suggest that possibly the same privilege could be granted to the farmer; that is, if the farmer had approved storage buildings, he also would be granted this accelerated depreciation whereby, for income tax purposes, he would be able to write off those buildings in a matter of three or five years. That is a suggestion which I humbly submit to the minister and which I would ask him to take into consideration.

Mr. Macdonnell: Mr. Chairman, I rise purely to correct what I think is a misunderstanding which at present stands on the record. The hon. member for Acadia this afternoon repeated what has often been said in this chamber, namely that we could greatly increase our sales to Britain if we were prepared to do what is called "taking sterling". My belief is that that is a complete misunderstanding. My belief is that the people of Britain will have no part of it. It is in fact, of course, nothing more or less than our lending the money to Britain. I believe they have made it perfectly clear that they do not want to do business in that way. I believe they have made it officially clear. If that is true, I think it is a pity to leave the record as it is. If I am correct, I should like the minister to confirm it. We have so many difficulties with regard to so many things that are uncertain and perplexing in the matter of international finance that it seems to me a great pity to add to them by using this phrase

"taking sterling" which, so far as I can make out, really means nothing at all. If that is so, then I think it would be desirable to have it on the record.

The Chairman: Shall the resolution carry?

Mr. Howe (Port Arthur): Mr. Chairman, I have been asked to touch on one or two points referred to by other speakers, so perhaps I might make a few remarks to close this debate. I would call your attention to the fact that over the last several days we have been discussing the government's program for assisting the farmer to meet an unusual situation. We have been told that part of the program is terrible, unbelievable and names have been applied to it that are startling; and it has been said that the other part is wonderful. It is rather remarkable that someone would not have had wit enough to add them up, strike an average and say that perhaps between the two resolutions they are not too bad.

Mr. McCullough (Moose Mountain): Who used the word "wonderful"?

Mr. Howe (Port Arthur): My hon. friend did not. My hon. friend's picture of the prairie farmer is of a man with a tin cup looking for handouts. I think that is a most atrocious picture of western Canada. I may say that I went out there in 1913 and have been there a great deal in the ensuing 42 years. I think I know as much about western Canada as does my hon. friend.

However, these two complementary pieces of legislation were arranged to meet the particular needs of the farmers. The first piece of legislation was designed to give the farmer immediate cash. This year, for the first time, we encountered a situation where all grain elevators were filled to capacity, country elevators were filled and the movement from farms was extremely slow. There is no doubt in the world that buyers of wheat held off as long as they dared in the hope that our price would break just as prices in other countries were breaking. Finally they decided that ours would not break, and so the normal wheat movement commenced. But there has been a period when it was important for many farmers to get bank accommodation. The larger farmers had no great trouble, of course. They were accustomed to using the banks. They had ample collateral. They needed no help from the government in order to obtain the cash they required. However, there is the half-section farmer to be considered, or the three-quarter section farmer or the young man who is just starting and who has never had a bank connection. These men, in the judgment of the government, needed help. We arranged that help by making an agreement with the banks that banks would issue loans up to $1,500 on the security of the farm-stored grain, with the proviso that, as soon as parliament would meet, the government would undertake to see that its guarantee was given to the banks for repayment of those loans. A great deal has been made of the rate of bank interest. According to what we have heard, that apparently is a back-breaker for the farmer. But what does it amount to? The average loan to date has been $800. I would think that the average period could not possibly exceed six months.

Mr. McCullough (Moose Mountain): Mr. Chairman,—

Mr. Howe (Port Arthur): Just sit down, will you?

Mr. Knowles: Then I rise on a point of order and ask what the minister is discussing. He seems to be discussing the bank loan legislation which is not now before the committee.

Mr. Howe (Port Arthur): All right. It will be before the house within the next day or two.

Mr. Knowles: As the minister sometimes says: You are wrong but go ahead.

Mr. Howe (Port Arthur): We are talking about interest on a much greater quantity of grain than—

Mr. Nicholson: Mr. Chairman, I rise on a point of order. If the minister is going to revive this discussion that we have had for two or three days, you will have to give the rest of us an opportunity to enter the debate again to go over the ground.

Mr. Howe (Port Arthur): If there is anything my hon. friend has not covered that has happened over the last five years, I cannot tell him what it was. However, the total payment of interest by the farmer on the average loan is about $20 and that, of course, is a crime. However, the resolution on the order paper immediately below the bank loan resolution meant at least 10 cents a bushel to the farmer on all the grain he will market in this crop year. Surely, there must be a balance struck and a sense of proportion kept in mind, when hon. members say that one is a calamity and the other is a very good idea.

Now, I have mentioned the reason for the first piece of legislation, so we go on to the second piece of legislation. Over the years the accumulated overages have put a burden on the farmer to the extent that he has been required to pay the carrying charges, which

are made up of storage and interest, on a larger amount of grain than is normal, and that grain is held in government storage over a much longer period than normally. In normal times the carrying charges on wheat amount to about 7·5 to 10 cents a bushel, depending on the size of the crop. Last year they amounted to 16 cents a bushel, and this year they could amount to more than that.

Well, the government said, what can we do to restore that situation to normal? We tried to find a period that could be considered normal before the period when the surpluses began to accumulate. We took the 15 years prior to the big crop of 1951 and found the average of the carry-over in each of those years. We found that it worked out to 178 million bushels on the average, averaging good years and bad years. We said that that is normal for the farmer. If the farmer is only dealing with a carry-over of that amount he has a normal situation. But the carry-over this year was about 215 million bushels larger than that, so we said the government will take the 215 million bushels and assume the carrying charges on that amount of grain for the full year. This amounts to about $32 million dollars, which is a contribution by all the taxpayers of Canada to those producers who have an equity in that prairie grain.

When we speak of the government advances we must remember that the government has no money. It is the taxpayers of Canada who have the money. When we say the government is paying these carrying charges, it means that the taxpayers of Canada are relieving the owners of the grain of carrying charges to that extent.

There has been a great deal of talk about payment for storage on farms. Questions are asked as to why the government cannot pay carrying charges on grain stored on farms. Grain stored on farms does not belong to the government. The government takes the grain into storage and acquires ownership by paying an advance of $1.40 per bushel on that grain when it is delivered to a country elevator; it then becomes the government's grain. The grain on the farms belongs to the farmer, just as the cattle on the farms belong to the farmer. If there is open storage space, the farmer will deliver the grain and get his payment. Then, that grain belongs to the government. If he has cattle on his farm he can market them, provided the stockyards are not congested and are able to take his cattle. There is no difference between the two. While they are on the farm they belong to the farmer. There is no way in which the government can properly pay any charges on grain that does not belong to the government.

It has been said frequently here that in the United States grain in the farmer's bin is paid for by the government, but that is not true. I have the rules here, and they are rather long. I can assure hon. members that the government of the United States does not have anything to do with grain until it is delivered into the government's approved storage. We, in Canada, cannot have anything to do with the grain until it is delivered into the government's licensed storage. The two are practically the same.

Mr. Argue: They are approved on the farm in the United States.

Mr. Howe (Port Arthur): The government of the United States devised a scheme involving steel tanks which they put on a man's farm, and under inspection the grain is delivered into these tanks for government account. It is measured, graded and becomes the property of the government in the government's own bin. Well, that is no different from putting it in a skating rink that has been licensed by the board of grain commissioners as a government granary. It is exactly the same principle. Some people assume that everything in the United States is free. Perhaps hon. members would be interested in seeing the charges that the farmer pays for putting the grain into approved storage on his own farm, the inspection fees and charges of that kind. Sometime later in the debate perhaps I can put on *Hansard* an outline of the United States system, and thus disabuse the minds of hon. gentlemen opposite who have been making statements about how it is done south of the border.

Mr. Blackmore: Do it now.

Mr. Howe (Port Arthur): I have not got the document here.

Mr. Argue: They get $2.08 per bushel.

Mr. Howe (Port Arthur): No, $1.81.

Mr. Argue: Plus protein bonus, storage charges and so on, making $2.08.

Mr. McIlraith: Why don't you move over there?

Mr. Howe (Port Arthur): A great deal has been said about selling wheat. We believe in the wheat board system of marketing. Unfortunately, the whole wheat board does not know how to sell wheat. George McIvor has only been selling wheat for the government since 1931, and the other members of the board have only been at it 10 to 15 years. They have been in every market in the world. They know ever buyer in the world. Nevertheless there are people opposite who can tell

them a great deal about how to market wheat; and what they should take in payment. We have heard the clichés such as the ever-normal granary and the world food bank. I should like to have someone get up and tell me how each of these works in practice.

Mr. Argue: The Minister of Agriculture spoke against them.

Mr. Howe (Port Arthur): Perhaps he did not know what they mean either. I am sure I do not. It is about as nebulous a subject as I have ever encountered. However, that is the great solution. We should be taking some kind of money that is not our own and not convertible into our own, and because there is a barter deal we would not look at if it were a money deal we should make a barter deal. We have heard all these things. Nevertheless, the wheat board marketing policy does not change. That is the one great value of the Canadian system. The wheat board goes on year after year doing business with the same customers in the same way. The customers know they can rely on the wheat board. They know a bargain made by the Canadian wheat board will be carried out and carried out exactly in the terms of the contract.

I feel, therefore, a great deal of the time of this chamber could be saved by people who theorize about how grain should be marketed in foreign capitals. I would not venture myself to advise the wheat board. I have only been associated with the grain trade for 42 years. I have worked for customers who deal in every grain exchange in the world, and I think I have been in most grain exchanges in the world. I believe I have some idea how wheat is sold in foreign markets.

We are told our trade commissioners do not deal exclusively in wheat. Well, as long as they deal with wheat and give it the time required, I do not know why they cannot spend a few hours selling some other Canadian product without great detriment to wheat selling.

We have said nothing about the agents of the board who are the wheat marketing agencies of the world. Every Canadian exporter is an authorized agent of the board, and all of the great international firms are also agents of the board. These firms have offices in every country that is a buyer of wheat. And yet we are told that we ought to hire bright young men from industry and send them out to sell wheat. That is very amusing indeed. I am afraid some people do not appreciate the humour of it.

I do not know that I need say any more. I think the government have put forward an attractive and realistic program for the western farmer. We have taken steps to restore the abnormal situation in this year back to normal. We have made bank funds immediately available where required, and we have relieved the farmers of the carrying charges that may be regarded as abnormal. I think the farmer believes that we have done a job for him, and I am not prepared to take the chit-chat which comes from the far corner about a situation of the farmer in western Canada; I know too many of them.

Mr. Knowles: You are treating us with a smile tonight; that is better.

Mr. Howe (Port Arthur): Oh, yes.

I was in a meeting a while ago, and there was a good deal of complaint from one man. He was taking a rather bitter view of things. I happened to come out of the meeting with him. I had a few blocks to go and he had a car. He asked me whether he could give me a lift and I said "yes". I said: "This is a good car you have". He said: "Yes, I just bought it this year; I like it very much". He said: "You know, I am doing rather better than I said I was in that meeting. All my life I have looked forward to the day when I would have my farm clear of debt and one crop in the bins ahead of the current market". He said: "For the first time in my life I have that, and no man can tell me I am in very bad shape". I think that is the true picture of western agriculture as it is today for the real western farmer.

Mr. Dinsdale: Mr. Chairman, I have just one comment to make in this discussion tonight. I have listened very carefully to the speakers who have spoken since eight o'clock, and I have been rather impressed with the tone and the amiability that have emerged from the last two previous speakers. Unfortunately, I cannot concur in the opinion that has been expressed by my worthy friend, the hon. member for Vegreville. He indicated that because some complimentary remarks had been made in reference to the resolution before the house, it was suggested that the farmers of western Canada were giving universal approval to everything that the government of Canada has done in regard to the present crisis in the marketing of our grain. I will say at least this much for the resolution before the house. It at last is a recognition by the government that the farm population is faced with a real emergency and a real financial crisis at this time.

In his remarks just concluded, the Minister of Trade and Commerce also suggested that notwithstanding the fact it has become necessary to take emergency action, as indicated in this resolution, namely, paying storage

on wheat in surplus above 178 million bushels, everything in the farm economy is for the best in the best of all possible worlds.

I said I had just one comment to make. That comment arises from the direct contact I have had with a part of the agricultural district of western Canada. I refer to the southwestern part of Manitoba. It was my privilege on Tuesday evening to attend a widely representative gathering, and from comments I heard from farmers gathered together at that time, I can say that they would not at all concur in the optimistic note that has been struck by the two previous speakers in this discussion.

As a matter of fact, on Tuesday evening at the hour of ten o'clock, the television program that has become rather famous in Canada during the past two weeks was broadcast over the CKX television station in Brandon. As a result of the impact of that Citizen's Forum discussion, which dealt largely with the present crisis in our grain-marketing situation, I was approached by a representative group of citizens who voluntarily, on their own initiative, had subscribed a substantial sum of money to replace the television set that had been blasted in another incident that has become well known in this chamber, I believe. The earlier presentation of that program over the Winnipeg station had resulted in the reaction of a certain Manitoba farmer, which led him to try to shoot one of the characters on the television screen. Mr. Chairman, I am in the possession of a sum of money for a fund, if such a fund exists, to replace the television set of this noteworthy citizen. I understand the suggestion emanated from the hon. member for Humboldt-Melfort that the opposition combine in an effort of this kind. If such an effort is already taking shape, I want to assure hon. members that I have a substantial donation voluntarily contributed as a part of the protest of the citizens of western Manitoba.

I support this resolution mainly because it is the first recognition by the government that a real problem faces our grain producers on the prairies; but as the Winnipeg *Free Press* said in a recent editorial:

> The hard fact remains that the government intends to do no more than the absolute minimum to help prairie farmers.

Mr. Nicholson: Mr. Chairman, I thought this resolution was going to be through by six o'clock, but after listening to the Minister of Trade and Commerce I cannot allow it to pass.

I think the suggestion that the gentleman whom the Minister of Trade and Commerce happened to meet sometime ago, who was in the position of having his farm paid for, having a substantial amount of money, and driving a very good car, was a typical farmer, does a great injustice to the farmers of this country. I am not suggesting that what the minister said is not true. It would seem strange that if among the 600,000 farmers in Canada there would not be a few who drive good cars. I want to tell the minister that his own department, in co-operation with the Department of National Revenue, presents figures that show that around 10 per cent of the farmers in Canada receive enough income to pay income tax, and roughly half of all the income taxes which are paid by all farmers in Canada are paid in Saskatchewan.

I hope you will not come to the conclusion that because half of the taxes paid by the farmers in Canada come from Saskatchewan we are rolling in wealth. It happens that the percentage of the farmers in Saskatchewan who pay taxes is higher than it is for the whole of Canada but when you consider that 80 per cent in Saskatchewan and 90 per cent in Canada are not getting enough money to pay taxes, I think it points up the minister's conclusion as being quite unfair. It is small wonder that the farmers in the prairie provinces are up in arms when responsible ministers like the Minister of Trade and Commerce and the Minister of Agriculture give the impression that the prairie farmers are in the position of the gentleman who is driving a new car and has all this money put by.

I might say that I had four years farming while I was away from here. I was fortunate enough to belong to the group which is able to pay income tax. However, I want to warn the Minister of Trade and Commerce and the Minister of National Revenue that a great many farmers who have been paying income taxes are going to be claiming refunds on the income tax they have paid when you come to average out the amount for five years.

I could cite case after case of farmers who were in the position two or three years ago of being able to have new cars, with all their debts paid, money in the bank and victory bonds but who are now in the position of having had to dispose of their victory bonds and their visible assets are rapidly disappearing. The minister fails to tell the people of Canada that 96 per cent of the world's wheat is handled by organizations similar to the wheat board and that while Canada is one of the big exporters in the world it is the only major country which till today has not provided some sort of subsidy.

Although it is one-sided, the minister has information from the United States and he

will admit that substantial amounts have been taken from the treasury there to subsidize this product. I suggest to the minister that he read the speech which his colleague, the Minister of Finance, delivered in New York on November 1. I am sorry I do not have a copy with me but the Minister of Finance while in New York pointed out that the Canadian farmers are producing the best quality of wheat in the world, and that they are prepared to sell it in competition with any other wheat in the world; but they cannot be expected to sell in competition with heavily subsidized wheat or in the face of tariffs. An example would be France. I am sure I am quoting the minister correctly but I will have a copy of the speech here tomorrow and I shall deal with this subject at greater length, but that is roughly the point the minister was trying to make—

An hon. Member: Don't tell me you are going to speak again tomorrow.

Mr. Argue: Another wheat expert.

Mr. Nicholson: —that many of the people in Canada are in the position where they cannot do anything but produce wheat and it is unfair for them to have to try to compete in world markets with other producers whose wheat is subsidized.

The last time I discussed the matter I had on my desk some information regarding Uruguay. If I remember correctly, since embarking on a subsidy program, Uruguay has increased exports tenfold; and the minister says we cannot pay farmers for storing on the farm. In Uruguay the government subsidizes the difference between what they pay the farmers and the price at which they sell the wheat in the world market. The price at the beginning of the crop year is $2.51 a bushel and it goes up each month until it reaches $2.72, a difference of over 20 cents. Therefore the farmers are paid over 20 cents a bushel for keeping the grain on their farms from the time they harvest it until—

Mr. Howe (Port Arthur): Mr. Chairman, my hon. friend is speaking of Uruguay. Could he give me the total export of Uruguayan wheat?

Mr. Nicholson: If I remember correctly, Uruguay increased its exports from 6 million to 60 million; I think it is around 60 million bushels. I said to begin with it is not a large amount compared with the Canadian export. But sixty million bushels is ten times six million and Uruguay is coming into markets that have been ours, and I do not see how the Canadian farmer who has been forced to produce without any subsidy is going to be in a position to compete with farmers from the United States, Uruguay, Great Britain and Sweden and from every major wheat-producing country in the world with their large subsidies.

As I mentioned yesterday, France has recently completed a sale to Poland of some 12 million bushels. The French treasury pays $1.01 a bushel and the farmers through contributions to their funds put up over 50 cents a bushel; and $1.61 a bushel is what the subsidy amounts to on every bushel of wheat from France that went into the world market last year. How can the Minister of Trade and Commerce go into the markets of Europe and sell Canadian wheat in competition with high quality wheat from France that carries a subsidy of $1.61 a bushel? I think the minister is doing a real disservice in not bringing to the attention of his colleagues in the cabinet the fact that we are in a new situation where 96 per cent of the world's wheat, as I have said, is being marketed by boards such as ours, and we have been trying to compete without some form of a support price.

The minister made some critical remarks regarding the suggestions which have come from this side of the house concerning the accepting of a partial payment in soft currency and accepting barter. The minister is very slow to move, but he is gradually accepting some suggestions. A year ago he did recommend to his cabinet that wheat be sold to Poland on time and that the government underwrite the insurance. That has been well received across the country and Poland has been well pleased with Canadian wheat according to the information we received from them. However, when Poland wanted to buy 200,000 tons recently the minister said, we will give them 100,000 tons. I submit we cannot increase our sales with that sort of public relations policy when France is prepared to take a chance on selling 200,000 tons of flour and 100,000 tons of wheat.

I think it is as plain as A.B.C. that if we are going to continue sales in the new markets we have to be prepared to accept goods from these markets. I hope the minister's department, in addition to having a staff to sell Canadian goods abroad, will be prepared to take the initiative and give leadership in Canada to find a means whereby we can get some Polish goods into the Canadian market. Saskatchewan farmers last year bought United States and British cement at high prices. Boats were coming into Churchill for grain and I think it would have been an easy matter to have arranged to have some cement come into Churchill for the prairie market when the boats were going to take out wheat.

Apparently Poland expects to buy from 40 million to 60 million bushels of wheat each

year for the next ten years. They think that of the 4,000 million dollars' worth of imports we bring into Canada each year they might expect to have four or five million dollars' worth of their goods come in. If we will take four or five million dollars' worth of goods from them they are prepared to take fifteen million dollars' worth of wheat from us. These deals are not going to come about by chance. The minister's agents have had long experience in selling wheat, but up to this moment we have not had people going into our potential markets in an effort to find out what goods can be brought from those countries into our country. How can they be sold in Canada without disrupting our automobile industry, our textile industry and our other industries? Believe me, unless we are going to face this problem very soon we are going to lose out in some of the potential markets we have.

Now there is a final word I feel obliged to say. The Minister of Trade and Commerce and the Minister of Agriculture particularly deserve the criticism from the farm members of this house for their failure to present the plight of agriculture in all of Canada in its proper light. It is a great misfortune, when corporation profits are at an all-time high and when every sector of our economy is prosperous, that the minister refuses to recognize this. Consider the job he did during the war as minister of munitions, when a million dollars did not mean a thing to him, when $50 million to develop the synthetic rubber plant at Sarnia was provided with a snap of the fingers, when it was apparent that probably it would be a dead loss but the minister was not afraid to risk $50 million because we had lost our supply of natural rubber. But, when it comes to providing some sort of security for the 600,000 farm families in Canada, that is a different matter. When it comes to giving them some assurance for providing food for our own people and our neighbours in other parts of the world, then we get the sort of performance we have had tonight. He gives the impression that the wheat farmers are driving new automobiles, that they have money in the bank, that their land is free from debt, or if not it is their own fault. I could not allow this debate to end without challenging that incorrect picture of western agriculture.

Mr. Hahn: It is only through the chance remarks—or possibly the quite deliberate remarks—of the Minister of Trade and Commerce that I rise to take part in this debate. If I heard his words properly, he said that the reason for not paying storage on farm-stored grain was that it does not belong to elevators. Later on he went on to explain that paying for cattle in advance would be the same as paying for farm-stored grain. I am not going to take any exception to what he had to say in that respect. I leave that to the farmers in the house or those who represent farming communities to explain their particular point of view with respect to that question.

However, the part that did intrigue me was the fact that the grain stored on farms does not belong to the elevators. I would say that is probably perfectly right. However, how does that tie in with the question that was asked by the hon. member for Cariboo on January 20 of the Prime Minister? He asked:

> Mr. Speaker, I should like to direct a question to the Prime Minister, in view of the statement of the Minister of Trade and Commerce yesterday that ships are awaiting rail shipments of wheat, owing to shortage of box cars. Will the government reconsider the offer of assistance in the building of the Pacific Great Eastern railway, in view of the fact that this railway will shorten the haul from the Peace river area to tide water by half the distance, in other words, that one box car on the short haul will do the work of two?

That statement is possibly very true—I might say it is completely true—that with the building of the Pacific Great Eastern railway the farmers will require one box car instead of two to transport their grain to a Pacific coast terminal. The difference is caused by the fact that the haul is shorter. Knowing full well that the Pacific Great Eastern railway is going into the Peace river area and that its terminal in the north Vancouver area is practically complete at this time, I would urge very strongly that the government consider building a terminal elevator at the terminus of the Pacific Great Eastern railway in North Vancouver.

Further, may I point out to the Minister of Trade and Commerce that the annual report of the port of New Westminster for the year 1953 indicates that in the year 1952 the number of bushels of grain sent out of that port was 9,633,733. That is practically 10 million bushels of grain. In 1953 that figure dropped to 8,571,058, according to the following year's report, and in 1954 it dropped to 5,448,714 bushels. We have there a terminal elevator that will house some 800,000 bushels of grain. We have all the facilities that are required. We have, as the Minister of Transport will recognize, one of the finest ports on the Pacific coast. We have all the rail lines leading into the area, and we could use more grain storage facilities for the very purpose of assisting those farmers in the west.

I am satisfied, as other members of this house must be, that the crops of today are not just an accident. They are not just bumper crops that occur from time to time,

as we are led to believe. Certainly it should be recognized by this time that whilst the crops have been somewhat above what we would ordinarily call normal for the past several years, there have been many extenuating circumstances in the past few years that have helped to make these crops continue to be well over the national average over the past 30 years. For that reason we shall require more storage space at all times. Therefore I would once again urge the government to examine the possibility of building a terminal elevator at the port of New Westminster and one at the terminus of the Pacific Great Eastern railway.

Mr. Thatcher: I have only one point to make before this resolution passes. This bill is going to cost the taxpayers of Canada $32 million. I know there are many hon. members from eastern Canada and the west who are not too enthusiastic about it. This is a good deal of money, and so I suppose they cannot be blamed. However, as a western prairie member, I find this legislation, which is going to give the western farmers $32 million, pretty easy to take. As a matter of fact, I think it can be justified because, certainly, the west is in very serious difficulties at the moment. So I appreciate the fact that the rest of Canada is going to give the west a helping hand at this time. Perhaps later on we can reciprocate.

The hon. member for Moose Mountain said this was only a "halting step". It is a $32 million halting step, and I think it is one that will be welcomed by most prairie farmers. I know there are many hon. members in this house from other parts of the nation who think that Saskatchewan members are always complaining and are never satisfied. Well, sometimes I wonder whether we do not tend to paint a picture which is perhaps too gloomy. Frequently I wonder whether too much complaining by prairie representatives, may not mean in the long run, that the province's well-being is harmed.

In any event, I want to assure the Minister of Trade and Commerce and members from the rest of Canada that most Saskatchewan farmers are independent, self-reliant, aggressive and like to stand on their own feet. They do want the opportunity of course to earn a decent living on their farms. I do not think the resolution is going to solve the farm crisis, but I do think that 99·9 per cent of the farmers in the three prairie provinces will welcome it.

Mr. Hansell: Mr. Chairman, I only rise to make one comment with respect to a matter raised by the hon. member for New Westminster who referred to what the Minister of Trade and Commerce had said respecting the farmer's wheat on the farm being in exactly the same position as his cattle. He owns the cattle; they are on his farm. He owns the wheat; it is on his farm. I am sure that analysis will not go down with the farmers of western Canada, and I think the Minister of Trade and Commerce knows that is not the whole truth.

It is true that the western farmer owns the wheat on his farm and owns the cattle on his farm but there is a difference between the two. The difference is just this, that he can go out and sell his cattle wherever he can get a buyer to buy them. He can go to the local packer. He can go to the city where there may be several packing houses. He can sell to other people and other interests if he wishes. But there is only one channel through which he can sell his wheat and that is the wheat board, which is going to take the wheat eventually anyway. That is where the difference lies. So the farmer says: Well, if the wheat board is going to take my wheat anyway why not give me a loan on it or why not even give me an advance payment? That will tide me over. They will have the wheat even though it is stored on my farm. That is the difference. I believe my point is well taken and I think the farmers will know that the minister has slightly erred in his analysis of the situation.

Mr. McCullough (Moose Mountain): Mr. Chairman, the Minister of Trade and Commerce has prompted me to make some comment. He referred to members—I think he was addressing this group particularly—who have made a strong fight against bank loans and the resolution preceding the bill which will force farmers to pay interest to the banks if they want to get some money on their farm-stored grain. He says he feels that members should have a sense of proportion and I think admitted in his statement that it was a rather bad piece of legislation. I agree with him. It is very bad and it is repugnant to the western farmers. He goes on to say that in view of that bad piece of legislation he is now bringing in a good piece of legislation which we should be happy about and accept. Therefore I suppose he feels we should start patting the government on the back. To me, Mr. Chairman, it is just like taking a good egg and a bad egg, trying to make an omelet out of them and saying that you have a pretty fair omelet. I do not think it would be a very good omelet. I do not think we should necessarily accept a bad piece of legislation just because the government is proposing to bring in something that may be a little more acceptable to us.

Wheat

Certain members of the house, particularly on the Liberal side, have tried to indicate that this measure is going to be of some considerable aid to the western farmer. I would not have been prompted to rise if that had been true, but nothing could be further from the truth. The $30 million that is going to be spent will be spent in the interests of everybody in Canada. Members on the government side of the house are prone to get up and try to indicate that the farmers ask for handouts. I remember quite well the U.K. agreement under which the government shipped to Great Britain over a four-year period 160 million bushels of wheat for the first two years and 140 million bushels for the subsequent years at a price of $1.55 a bushel when the world price was much higher.

I quite agree that we had price controls in Canada, and no group in the country was more ready to accept price controls than Canadian farmers. Under the agreement with Great Britain there was a have-regard clause stating that the British government would have regard for the prevailing world price which would have some bearing on the settlement at the end of the four-year period. According to the Minister of Trade and Commerce and other government spokesmen the British government met every responsibility under the have-regard clause. But what did this government do? They had $65 million in the kitty left over from a loan arrangement with Great Britain so they said: We will give this to the western farmers and maybe they will be content. There was no sense of justice or proportion as to what would have been fair recompense having regard to the position of the farmers during that period.

The minister says that this is not the government's money but is the people's money. Of course it is the people's money and it is the farmer's money too. During the war 60 million or 70 million bushels of wheat were consumed annually in Canada and under the policy that prevailed at that time the farmer only received $1.25 a bushel. In addition, he subsidized the Canadian consumer to the extent of over 70 cents a bushel on every bushel of wheat going into the making of bread in Canada. Therefore I say that if anyone has lost his sense of proportion it is the Minister of Trade and Commerce. That is all I intend to say now other than to say that I do not agree with the hon. member for Moose Jaw-Lake Centre when he tries to say that this is giving the farmer something. That is the word he used, "giving". This is not a handout to the farmer. This is a policy of good government for all the Canadian people.

[Mr. McCullough (Moose Mountain).]

Resolution reported and concurred in.

Mr. Howe (Port Arthur) thereupon moved for leave to introduce Bill No. 83, respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian wheat board.

Motion agreed to and bill read the first time.

CANADIAN FARM LOAN ACT

AMENDMENTS TO REORGANIZE CAPITAL STRUCTURE, INCREASE AMOUNT OF LOANS, ETC.

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Canadian Farm Loan Act to provide for a number of administrative changes under the act; inter alia; to reorganize the capital structure of the board by cancelling existing share stock and issuing new stock up to a par value of three million dollars; to allow loans to be made up to sixty-five per cent of the value of the lands with a maximum loan of fifteen thousand dollars; that there be only one reserve fund not exceeding an amount equal to the capital stock of the board;

And to provide further for the repayment of the capital advanced by the government to the board with respect to its operation under the Canadian Fisherman's Loan Act, less the deficit of the board on its operation under the act and the amount of outstanding loans.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Chairman, hon. members will find that the bill to follow this resolution will have two chief aspects. I refer first to the aspect of financial opportunities for farmers in borrowing under the act. The bill will provide that the maximum loan opportunities will be increased from $10,000 on first mortgage plus $2,000 on second mortgage to a maximum over-all of $15,000.

Hon. members will also find that lending value will have an increase from 60 per cent to 65 per cent. The bill will also provide simplification by the elimination of the second mortgage procedure now in part II of the bill. In the second aspect there will be simplification of the balance sheet and the capital structure. In so far as this part of the proposals are concerned, I think that hon. members will like to see the bill before they go into too much detail over the balance sheet and capital structure. In addition, there will be some minor and technical changes.

Mr. Macdonnell: Mr. Chairman, this act has now been in operation for many years. I think the sense of the committee is that it has well served the purpose for which it was intended. Although many conditions have

conspired to reduce the percentage of the population which is taking part in farming, nevertheless I think we all recognize the fact that agriculture is doubly important, first of all because of its material contribution—and I shall come back to that matter in a moment—and second, because of the fact that those who live on the land, those who have that steady and steadying influence in their lives, form an extremely important part of the population. I think it is undesirable when they shrink to a small percentage. As time goes on I hope there will be offsetting considerations. Of course, we cannot overlook the fact that a great deal of work that was formerly done on the farm is now done in the factory and that one man can now raise the food that it formerly took ten men to raise. Nevertheless I think a measure like this one, which is designed to assist those who are now in farming and, perhaps even more important, to induce other people to take to that profession, is an extremely important measure indeed.

The board has carried on in a sensible way. I think they have won confidence. Their losses have been small. When we are asked to extend their powers, to extend the amount of the loan and to extend the percentage which may be loaned, I think we may feel that we are giving these powers to men who over a period of many years, have shown that they are responsible and that they are entitled to be entrusted with these powers. There are certain questions of detail which one will wish to ask with regard to the administrative changes, changes in capitalization—there are special points with regard to fishermen's loans—and others. But as there will probably be other members of the committee who would like to make some general observations—some of them who are closer to the industry than I am personally—I shall content myself now with saying just what I have said, namely that I feel that this is a matter of great importance; that for nearly 30 years we have had experience with those who are managing it; and that the results are such as to make us wish to continue the powers so that in the future the act may, if possible, serve a more useful purpose than it has served in the past.

Mr. Herridge: Mr. Chairman, I have had a lifelong interest in agricultural credit because I am a great believer in agricultural development, particularly at this time in the still pioneer sections of our country. I think experience proves the historic necessity for agricultural credit by means of low-interest, long-term loans if you are going to establish a sound agriculture in any country.

I am particularly interested in this resolution because I notice that there is provision for an increase in the amount of loans, up to a maximum of $15,000, and that the resolution suggests that loans can be up to 65 per cent of the value of the farm concerned. However, I wish to offer a few suggestions, as a result of experience, and to make a few criticisms.

I quite agree with the hon. member who spoke previously that during the past 30 years the record of the board has been good and that it has served a useful purpose so far as agricultural development in Canada is concerned. Before proceeding further, Mr. Chairman, I must make it clear that I represent a particular breed of farmers who are obliged to work 12 months a year, from 12 to 16 hours a day in order to make a modest living and who are more acquainted with the axe, the crosscut saw and the grub hoe than they are with the rubbertired tractor or the combine. It is on behalf of that particular group of farmers that I am speaking this evening.

My first criticism and suggestion with respect to the administration of the act would be that, as far as British Columbia is concerned—particularly owing to developments in the last 10 or 15 years—the administration is somewhat centralized. We have a branch office in New Westminster. To this office everyone is obliged to write and from this office all the officials are obliged to travel to all parts of British Columbia. I suggest that the board would be wise to consider the establishment even on a modest scale, of one or two branch offices in the interior and northern sections of the province. I think the experience of the Veterans Land Act administration indicated that, for efficient service that procedure was necessary.

I think the present rather centralized administration, having just one office in New Westminster in British Columbia, at times creates inconvenience to the applicants as well as unnecessary delay. On account of the fact that the staff are obliged to make their headquarters at New Westminster—and I am not blaming the staff—there is a tendency to lose contact with local conditions in various parts of the province, and with farmers and farmers' organizations directly interested in the administration of this act. I also think there is a tendency on the part of those who have to deal with the larger farms—such as those in the Fraser valley and other parts—because of their lack of local contact with local conditions, to underestimate the opportunities that are provided for pioneer development. Those opportunities abound in the

constituency which I have the honour to represent. I might say, Mr. Chairman, that I think you are also acquainted with the conditions of which I am speaking this evening. While you remain silent, I am sure that at heart you will be sympathetic with what I have to say.

In the West Kootenay district we have at the present time between 14,000 and 15,000 acres of undeveloped agricultural land which up until recent years could be reached only by steamer, primitive roads and trails. But as a result of road development within the last five or six years, large areas of this land are becoming accessible. Schools are being built and the sick can be taken to hospital. Several times during the last 50 years much of this land was considered for agricultural development, but it was not developed because of the lack of access to schools, hospitals and communications generally.

Now I am confident, Mr. Chairman, that if the board had their administration decentralized, if they had a branch office in the southern interior and one in the northern interior, the officials would get a better appreciation and understanding of the opportunities that exist for sound agricultural development under pioneer conditions. Now, to demonstrate the opportunities for development which exist as a result of the availability of long-term low interest agricultural credit, I want to quote briefly from the Nelson *Daily News*. Here is a large heading across it, "West Kootenay Fills Only 16 per cent of Own Food Needs." The article says:

> West Kootenay in 1951 required food valued at $5,293,888 in order to satisfy the appetites of its population of 54,737 persons. A little better than 80 per cent of this value was made up of goods brought into the area and 16 per cent was of local origin.
>
> These facts are brought out in a report on the market for farm products in the 13,000 square-mile area of West Kootenay, written by W. C. Shipley and I. F. Furniss of the federal Department of Agriculture.

We have the land and we have exceptionally good markets, Mr. Chairman. We have the young people who desire to settle on that land. In some cases the young people wish to take over the farms and orchards that their parents have operated for many years, but there are others who are willing to go on the virgin land that is available.

I suggest also that under certain circumstances the regulations are too rigid. I read in the 1954 report of the Canadian farm loan board, page 16, this one paragraph which is marked, "Who may qualify?"

> Any person whose principal occupation is farming and who owns or proposes to purchase a farm and who is actually engaged in or about to become engaged in farming the land offered as security.
>
> An applicant must satisfy the board that he has the necessary experience and ability to successfully operate the farm and repay the loan.

I want to bring to the attention of the house the reason I maintain that at the present time —I am not blaming the officials for this—the regulations apparently are too rigid. There is in my constituency a very experienced and successful farmer who farms 390 acres. Now, that is a very large farm in the riding which I have the honour to represent. He has 100 acres of that land in hay and the balance in pasture and a small area in grain. He gets well over 100 tons of hay a year and has an excellent herd of good beef cattle. This very successful farmer made an application to the board for a relatively small loan, and his application was rejected. They admitted he was an experienced, successful farmer, but it was rejected on the ground that his house was not on the land on which he wished to raise the loan.

The circumstances are these. This is a cattle farm at an elevation of about 3,000 feet; it is in a mountain valley near Slocan city. I am sure the member for Vancouver-Quadra knows the area about which I am speaking. It is west of Slocan city and it has been farmed for years. There is a very rough mountain road to get there and he cannot live on this land because of getting his children to school. He has to have his milk herd on land closer to Slocan city which is, incidentally, the smallest city in North America. I believe it has a population of something over 375 persons. He has to live on the lower levels in order to get his children to school and deliver his farm products to the city and surrounding district. His application was rejected strictly on the ground that he was not living on the land he was farming. I bring that to the attention of the house because I think it illustrates in some respects that the regulations are too rigid.

Then, as I said before, there is a tendency, and I think it springs from the regulations, to underestimate the possibilities for successful farm development under pioneer conditions. I am quite sure that some of those gentlemen who come from the coast do not believe this heavily wooded area looks like a good investment when compared to some of the land in the Fraser valley or the coastal regions of British Columbia. However, they underestimate, in some cases, the productivity of the soil. They possibly do not realize the excellent markets that are available within a range of 50 miles. They underestimate the calibre of some of these young people particularly who are anxious to settle on the land.

My further criticism would be that the interest rate is too high. At the moment the

interest rate is 5 per cent. Experience in the United Kingdom and in Europe indicates that agricultural credit can be extended very successfully at not more than 3 per cent for loans that are kept up to date. I think the experience of our own Canadian farm loan board indicates that the investment in loans on Canadian farms has been a sound investment throughout the years. It indicates the excellent security and stability of the Canadian farmer. I feel that the experience of the Veterans' Land Act administration bears this out also. Incidentally they have lent considerable sums of money to veterans wishing to settle on land in my constituency and I have yet to hear of the first failure to meet the payments within a reasonable time.

I do urge, therefore, that consideration be given to making the interest rate 3 per cent. As I said before, the experience with agricultural credit in Great Britain and the European countries indicates it is a sound policy. It has proven sound for many years. I believe we should do that at least for these young men and women particularly who are anxious to go into pioneer districts, clear the land and add to the total production of this country. We need to develop our agricultural resources. We need to provide opportunities for our young people. I make this suggestion, Mr. Chairman, as a result of some experience in farming myself, some personal knowledge of the conditions I speak about, and I do urge the minister to give consideration to my representations.

Mr. Hahn: We in this group consider this legislation very desirable, largely for the two reasons suggested in the resolution itself. First, it says that loans shall be increased to a maximum of $15,000, and secondly loans can be a maximum of up to 65 per cent of the land value. However, we do have a criticism to make concerning the past operations of the act. Frequently we find that appraisals are much too conservative and the property is actually worth many times the value the appraisers place upon it. This makes it impossible for a farmer to get a loan of a reasonable size.

Frequently, we hear remarks to the effect that the appraisals are more conservative than one would get from ordinary mortgage companies. I am not sure of the exact workings of the act. If representations are made by the Fraser valley fruit growers, who suffered such a serious loss from frost in November that they will not have a strawberry crop for the next three years at least, I certainly hope that those funds will be made available to them in an amount that will make it practicable for them to go back to the raising of that particular crop.

We have the large area in the Cariboo section of British Columbia which is going to be opened to the public as soon as the railway line is completed. We are satisfied that those who wish to settle in that area to farm should be able to find some use of this act, if it should function in the way in which we hope it will function.

I should now like to refer to the section having to do with fishermen. I am not too certain whether the intent here is that it should act as a revolving fund. It would appear to be so. For that reason and for reasons which others have given who have spoken on this resolution, I hope that when the resolution reaches the bill stage it will be referred to the standing committee on banking and commerce for further consideration and discussion.

Resolution reported, read the second time and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 84, to amend the Canadian Farm Loan Act.

Motion agreed to and bill read the first time.

COMMITTEE ON ESTIMATES

MOTION TO APPOINT SELECT COMMITTEE

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

That a select committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the house.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I propose to refer only briefly to the motion, but I should like to make two points. First, we had a very considerable use of this committee last year, and it seemed to me that—I know there will be objections voiced with respect to some of the procedure in the committee—the committee did perform a useful function. I do not think it can be said that it cut down the time of consideration of the estimates in the committee of supply, but that was not the only reason for appointing the committee. There were many other reasons, and it does seem to me that we ought to continue the experiment for another year at least, if not longer.

Last year, I think the house will recall, we placed before the committee the estimates of four departments. In discussing the motion I said it would be desirable to try to get around to all of the departments in the course of a parliament which would run the normal period of time. That is still our intention and our hope.

We had considered what estimates we might refer to the committee this year. We did that some two months ago and decided to refer to the committee the estimates of the Department of Labour, the Department of National Health and Welfare, the Department of National Revenue and the Post Office Department.

Requests have been made by opposition groups with respect to other departments. I should like to say, sir, that we shall do our best to fit into the program those departments that are now ready to appear before the committee, but if there is time we shall do our best to accommodate the opposition groups, not in full because I know that will not be possible, but in part at least.

On that basis, I hope, sir, that the motion will carry and that the committee may be able to get to work at an early date.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I have no doubt that the motion will carry, although there are some changes we should like to see in it before it does carry.

The minister has said that this committee was set up last year on an experimental basis. I took from what he said it was felt by himself and his colleagues that it performed a useful function last year.

With that statement I would agree. We in the official opposition felt that it was a useful step in enabling this house to deal more effectively and efficiently with one of its major tasks, perhaps its major task, namely, the scrutinizing and the control of the spending of public money, but we felt—and on reflection we have no reason to change our opinion—that its usefulness was largely circumscribed by the restrictions on its power.

It is our view that this committee can perform a useful function, and it should be continued on a basis that will enable it better to perform that function. Perhaps so that we can be quite clear as to the basis of discussion here, I should say we feel that there are two main functions that this committee on estimates could and should perform. One of them is a considerably minor function. I will mention it first. It is a possible method of saving the time of the whole house. There were, as I recall it, in the committee appointed to assist Mr. Speaker in the revision of the rules which sat for several years, a number of discussions as to whether we should have a committee on estimates, and if so, what should be its nature, its composition and its purposes. There were quite a number who suggested that one of its major functions would be to save the time of the house and to shorten the session. Both at the time these discussions were taking place and as a result of the experience we had in the committee, I did not feel and do not feel that was or should be its primary function.

With the growing volume of government business and with the growing volume of expenditure, I think it is inevitable that there will be a tendency for sessions to grow longer. Therefore we should approach that aspect of the situation not so much with a determination to shorten sessions, because if we do we are going to have to cut down on the effectiveness of our work somewhat. We should approach it rather from the point of view of how we can most effectively and efficiently discharge our work so that sessions will not grow unnecessarily and burdensomely longer. It is that function which I think this committee can best discharge, and which should be its main purpose; that is, to enable parliament to perform its function of the control of expenditure most efficiently and effectively. In the light of the growing volume of government work, and the extension of the field into which governments seem to engage unnecessarily—some no doubt will say necessarily—unless there is efficiency in the work of parliament in scrutinizing the expenditure of governments, the whole question of the extent to which the people's money is taken and spent by government may get entirely out of control. I do not like to be extreme in my statements, as the Minister of Finance knows, but there is some ground for feeling that it has already gone too far and the government dips its hand too deep into the national revenue to an extent that has gone beyond the safety point.

In considering this matter, as in so many cases, I think it is useful to look at the experience and history of other countries, and the one which forms the readiest guide for us is the experience of the United Kingdom parliament. In looking at the debate at the time when their estimates committee was first set up I find that this was the basis upon which they decided to set up that committee in the year 1912 when they first had an estimates committee. The statement of the chancellor of the exchequer, Mr. Lloyd George, in which he introduced the motion setting up the committee, made it perfectly clear that the purpose which the government had in mind in setting it up was to enable the house to provide a means by which the House of Commons could more effectively discharge its duties to scrutinize and control expenditure. It was made quite clear in his statement that there was a large body of opinion in the United Kingdom parliament at that time, and I think it would be accurate to say it could be taken from the chancellor's

statement that he shared that opinion to a great extent, which felt that the committee of the whole house, which in this case would be the committee of supply, could not effectively check the growing tendency towards increased expenditure.

He complained, as I suppose his counterpart here, the Minister of Finance and his predecessors and successors will always complain, that the great preponderance of the pressure he gets from hon. members of parliament is for increased expenditure rather than the reverse.

The chancellor told a moving story of the difficulty that confronted him in any endeavour not only to reduce expenditures but to even prevent them from growing beyond all reasonable bounds, and he said in effect that really he was not unduly critical of hon. members for that tendency because, as he said, they come to parliament with individual needs, cases arising in their constituencies which they feel they must put forward, or the necessity of individual groups within the framework of the national economy, and it is natural and proper that they should press those needs; but the result was that there was an over-all pressure in the direction of increased expenditure and that really the only body which regarded itself as the watchdog, and the only body which ever came anywhere near exercising a tendency in the opposite direction, was the treasury, which in Canada we call the treasury board. I think I have heard the Minister of Finance argue somewhat along the same lines in this house.

The committee of supply is a committee of the whole house and thus a committee of a large number of hon. members where it is difficult to come to grips with details and perhaps it is inefficient to come to grips with details because it means that every hon. member who engages in a discussion of any length with the minister on a matter of detail does so while 264 other hon. members are waiting until the individual discussion is concluded before any of the rest of the business can be proceeded with. For these reasons it is possible that the committee is not a body where discussions of detail can be efficiently carried on as a general practice.

That sentiment was agreed to, I think, by most of the hon. members who spoke in the debate in the United Kingdom. Now, sir, I mentioned that at some length because I think it is important that we should keep before us the main function which this committee can and should serve, and that is to deal with details, to be a watchdog of expenditure, to be an agency by which the committee of supply can discharge the function which has perhaps rather slipped from its grasp over late years and which perhaps was inevitably bound to slip from its grasp by the nature of the complexity of the business with which parliament now deals. Therefore, if this committee is to perform this function of effective scrutiny and thereby increase the efficiency of departments and ensure that the people of this country get a dollar's value for every dollar that is spent, I submit it is absolutely essential that the committee should have the necessary powers to enable it to discharge that function.

I submit to you, sir, without any hesitation on the basis of our experience last year, that the commitee as then constituted did not have those powers and that the committee as contemplated in the motion now standing in the name of the Prime Minister will not have the necessary powers to enable it to discharge its function unless the resolution is amended along the lines which we intend to offer in the course of this discussion.

If it suits the convenience of hon. members I should like you to call it ten o'clock.

On motion of Mr. Fulton the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we will take the estimates of the Department of Agriculture tomorrow.

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

Questions

ANSWERS TO QUESTIONS

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

POLIOMYELITIS STATISTICS

Question No. 85—**Mr. McMillan:**

1. How many cases of poliomyelitis were reported in Canada, province by province, during 1955 up to and including December 31?
2. How many cases, by provinces, were of the paralytic type?
3. How does the incidence of polio during 1955 compare with the five-year annual average for the years 1950-54 inclusive?
4. How many deaths were reported from polio during 1955 and how do these figures compare with the five-year average, 1950-54?
5. What are the results of the evaluation of the Salk vaccine as used in Canada during 1955?

Answer by: **Mr. Martin:**

1 and 2. With 1,028 cases of poliomyelitis of all forms reported across Canada up to December 31, the year 1955 goes on record as having the lowest rate reported in the past decade. Of the total cases reported, about one-half, or 544, were of the paralytic type. The following table, based on provisional figures, indicates the total number of cases and the number of paralytic cases, province by province, as well as the attack rates per 100,000.

Province	Total Cases	Rate per 100,000	Paralytic Cases	Rate per 100,000
Nfld.	15	3·6	12	2·9
P.E.I.	11	10·2	11	10·2
N.S.	114	16·7	55	8·0
N.B.	39	6·9	6	1·1
Que.	125	2·8	78	1·7
Ont.	178	3·4	79	1·5
Man.	30	3·5	13	1·5
Sask.	72	8·1	20	2·2
Alta.	214	20·1	124	11·6
B.C.	230	17·6	146	11·2
Canada	1,028	6·6	544	3·5

3. The extent of polio in Canada during 1955 was a little more than one-quarter of the average annual incidence over the past five years. This applies to both paralytic polio and total cases of polio, with the average number of cases per year from 1950 to 1954 amounting to 1,683 and 3,898 respectively. It should be noted, of course, that the five-year averages include the year 1953 during which Canada experienced the most serious polio epidemic in its history.

The relatively low incidence of polio was general throughout Canada, with the exception of British Columbia where the number of paralytic cases, 146, was actually higher than the five-year average of 139. As will be shown later, the use of the Salk vaccine produced the most striking results in this province where polio was most severe. In Nova Scotia, the total number of cases of all forms, 114, exceeded the five-year annual average of 91, but the 55 paralytic cases were significantly lower than the five-year average of 68. Of the ten provinces, British Columbia was hardest hit, with Prince Edward Island and Nova Scotia following with 92 and 81 per cent respectively of the five-year annual average for paralytic cases.

Manitoba, on the other hand—where only 30 cases were reported, of which 13 were paralytic, and no deaths occurred—had the lowest incidence as compared with the five-year average, with ratios of four and three per cent respectively. Saskatchewan was next lowest with 72 cases of which 20 were paralytic. Total cases were about 13 per cent of the five-year annual average of 565, while paralytic cases represented about one-tenth of the annual average over the past five years of 187. It will be recalled that these two provinces were extremely hard hit during the serious epidemic of 1953.

In Newfoundland and New Brunswick polio occurred during 1955 at the rate of about one-quarter of the five-year annual average. In Quebec, where 125 cases were reported—of which 78 were paralytic—the ratio was about one-third of the five-year average figures of 350 and 203 respectively. Ontario had a relatively light incidence with 178 cases, or about 16 per cent of the five-year average of 1,054. Among the total cases, 79 were paralytic, or about 18 per cent of the five-year average of 416.

Although the attack rates in Alberta during 1955 were higher than in other provinces, in relation to the five-year annual average the 124 paralytic cases amounted to about 27 per cent. The total number of cases of all kinds, 214, was approximately 38 per cent of the five-year average of 585. In the Yukon and the Northwest Territories, no cases of any kind were reported during 1955.

4. As with its general incidence, there was also a marked decline in the number of deaths from polio last year with a provisional total of 28 reported as against 157 in the year before and an average of 230 deaths annually

over the past five years. In each of three provinces—Newfoundland, Prince Edward Island and Manitoba—not a single death from polio was reported during 1955.

5. The use of the Salk vaccine in Canada during 1955 was the most ambitious mass immunization program ever undertaken in this country. It also provided an opportunity for carrying out a nation-wide epidemiological study, the results of which have demonstrated the safety and effectiveness of the vaccine as an immunizing agent. In addition, the whole program offered an outstanding example of co-operation between federal, provincial and local health authorities and served to bring home to the people of Canada in dramatic fashion the value of public health activities generally.

In co-operation with the health authorities in the ten provinces, the epidemiology division of the Department of National Health and Welfare has undertaken a careful survey of polio in Canada last year, particularly among the age groups five to ten where the use of the vaccine was largely concentrated. As early as last May, a meeting was called in Ottawa with the provincial directors of communicable disease control and a uniform system for reporting polio and assessing the vaccine's effectiveness was devised. For the purpose of this study, polio was classified as "paralytic" in all cases where there was evidence of some muscle weakness extending over a period of more than 24 hours.

With regard to safety, among all the children in Canada who received one or more injections of the vaccine, not one case of poliomyelitis occurred within 30 days of its administration. This is the interval during which polio, if caused by the vaccine, might be expected to develop. In further confirmation of the safety factor, within the study group described below, only five cases of paralytic polio were reported in nearly 600,000 vaccinated children. In each of these cases, symptoms of polio first occurred at least two months following the inoculations, clearly indicating that the vaccine could not have been responsible for the infection. In other words, these five children contracted polio in spite of, and not because of, the vaccine.

As to the effectiveness of the vaccine, a careful epidemiological study was carried out during a predetermined period of observation—July 1 to November 30 inclusive. The study involved nearly 1,500,000 children in the age groups five to ten, including about 600,000 who received two or more inoculations prior to July 1, and slightly less than 900,000 in comparable age groups who did not receive the vaccine. Among those not included in this study are the substantial numbers of children under the age of five who received the vaccine. Other vaccinated children were excluded for a variety of reasons, for example, those who received only one injection, children vaccinated since July 1, and those living in isolated areas where it is difficult to gather complete epidemiological data.

The following table indicates the result of the evaluation carried out among the study group, province by province:

Questions

NUMBER OF CHILDREN OF SPECIFIED AGES RECEIVING 2 OR MORE DOSES OF VACCINE BY JULY 1, 1955, AND NUMBER OF REPORTED PARALYTIC CASES AND ATTACK RATES IN VACCINATED AND UNVACCINATED POPULATIONS, JULY 1-NOVEMBER 30, 1955

Province	Ages considered[1]	Number vaccinated 2 or more doses	Observed paralytic cases in vaccinated	Rate per 100,000 population in vaccinated	Number not vaccinated[2]	Observed paralytic cases in non vaccinated	Rate per 100,000 population in non vaccinated
Newfoundland	5	3,412	0	0·00	8,700	0	0·00
Prince Edward Island	5-8	4,855	0	0·00	5,400	3	55·55
Nova Scotia	5-8	15,551	0	0·00	46,600	10	21·45
New Brunswick	5-10	24,000	0	0·00	58,400	1	1·71
Quebec	5-9	62,850	1	1·59	476,700	20	4·19
Ontario	5-10	306,311	2	0·65	200,100	4	1·99
Manitoba	5-9	51,333	0	0·00	31,900	0	0·00
Saskatchewan	5-6	27,528	0	0·00	11,700	0	0·00
Alberta	1-4*	48,809	2	4·09	33,000	3	9·09
British Columbia	5-7	45,067	0	0·00	12,500	10	80·00
CANADA	.....	589,716	5	0·84	885,000	51	5·76

[1] For purposes of comparison, children of the ages specified only have been included. For example a substantial number of children in the province of Quebec under 5 years of age who received 2 doses of the vaccine have not been included.

[2] Since some figures are based on age group estimates, all have been rounded to the nearest hundred.

* Grades

It will be noted that for all Canada, among 589,716 children ranging in age from five to ten who received two or more doses of vaccine, five cases of paralytic polio occurred during the period of study, or a rate of 0·84 per 100,000. Among some 885,000 unvaccinated children in comparable age groups, 51 cases of paralytic polio were reported, or an observed rate of 5·76 per 100,000. On the basis of these figures, an observed reduction in rate of about 85 per cent may be calculated.

To assess the significance of these findings, it is necessary to examine the results from the individual provinces. In three provinces—Manitoba, Saskatchewan and Newfoundland—there were no cases reported among either the vaccinated or unvaccinated children in the age groups specified. This is probably explained by the generally low incidence in these three provinces where there were only 5 paralytic cases in the entire population as against a five-year average of 624.

The most significant feature of the entire study is the result reported from British Columbia. Despite the fact that more cases were reported in British Columbia than any other province, there was not a single case of paralytic polio among 45,067 vaccinated children in the study group. As opposed to this, ten cases were reported among the 12,488 unvaccinated children, for a rate of 80 per 100,000 as against zero in the vaccinated group. On the basis of these figures, if the rate among the unvaccinated children were applied to the number of vaccinated children in the study group, it might be calculated that some 36 cases would have occurred; instead, there was not a single case among the children receiving the vaccine.

Because of the small number of cases reported among the study group, the results of the evaluation are not considered statistically significant in provinces other than British Columbia, when examined individually. The figures for Prince Edward Island and Nova Scotia, if taken together, however, are statistically significant. Considering these two provinces together on the basis of geographic proximity and the relatively high incidence of polio in each in relation to the five-year average, it will be observed that, among 20,406 vaccinated children, there were

no cases reported, while among 52,089 unvaccinated children there were 13 cases or a rate of 24·95 per 100,000.

Thus, in those provinces—British Columbia, Prince Edward Island and Nova Scotia—where polio struck with severity roughly comparable to the annual average over the past five years, the Salk vaccine achieved significant results in preventing paralytic polio. In these three provinces, no cases were reported among 65,473 children aged five to ten who received two or more injections of the vaccine. On the other hand, among approximately the same number of children (64,577) in comparable age groups, no less than 23 cases were reported. These results clearly demonstrate the effectiveness of the Salk vaccine as a preventive against paralysis from poliomyelitis.

FEDERAL BUILDING, CHATHAM, N.B.—PROPERTY PURCHASED

Question No. 101—**Mr. Bell:**

1. Has the government purchased any properties to be used as the site of the new federal building at Chatham, New Brunswick?

2. If so, from whom, and what were the purchase prices?

Answer by:* **Mr. Pinard (for Mr. Winters):

1. No; matter under consideration.

2. Answered by No. 1.

**See amended answer, page 1228.*

HOUSE OF COMMONS

Friday, February 10, 1956

The house met at eleven o'clock.

GRAIN

WHEAT—REPORTED DISPOSAL OF SURPLUS IN TRADE FOR BRITISH IMMIGRANTS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister. How many millions of bushels of surplus wheat does the Prime Minister expect will be sold under the scheme announced in the *Free Press* by the Minister of Agriculture whereby wheat will be traded for British immigrants?

Right Hon. L. S. St. Laurent (Prime Minister): I have not seen the *Free Press* story, and I do not expect that any wheat would be sold under any plan such as that referred to in the hon. member's question.

Mr. Diefenbaker: That is what I thought.

Mr. Drew: May I ask the Prime Minister if he is aware that according to the C.B.C. news report the minister has confirmed the story?

Mr. St. Laurent (Quebec East): No, I am not aware that the minister has confirmed the story. All I saw was a paragraph in the *Journal* last night which purports to be a story relating to some suggestion that might have been made by the Minister of Agriculture. However, that is not to my knowledge, and all I can say is there is no such plan being considered by the government.

[*Later:*]

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, may I ask the Minister of Agriculture, with regard to his interesting suggestion to exchange immigrants for wheat, whether it will be on a weight for weight basis, so many pounds of immigrant for so many pounds of wheat?

Mr. Diefenbaker: I should like to direct a question to the Minister of Citizenship and Immigration. What consideration has he given to the weird plan of the Minister of Agriculture? Is it intended to extend it to people from continental nations? How many immigrants are envisaged as coming in the first year?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, like some other hon. members apparently, I listen to the radio while I am taking my bath in the morning. I heard the same piece of inaccurate news, which the hon. member for Assiniboia has characterized as a question of privilege, which I do not think was really a question of privilege, because I do not think one is entitled to correct in the house a statement made outside the house.

Some hon. Members: Order.

Mr. Pickersgill: I am giving an answer to a question which was put to me, sir.

Mr. Fleming: And undertaking to act as a schoolmaster.

Mr. Knowles: You are all wet.

Mr. Pickersgill: As a matter of fact, Mr. Speaker, I understood that any suggestions the right hon. gentleman may have made were made in a purely private capacity as someone interested in the development of this country, and he has done a great deal to develop the country.

Mr. Fleming: I ask the minister whether he would make use of a towel?

REQUEST FOR TABLING OF REGULATIONS WITH RESPECT TO BANK LOANS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, may I pursue the question I asked yesterday? Will the minister table a copy of the letter sent to the banks giving the basis on which they might make loans to farmers under the impending regulation?

Hon. W. E. Harris (Minister of Finance): Certainly, Mr. Speaker.

EXTERNAL AFFAIRS

RUSSIA—EXCHANGE OF PARLIAMENTARY DELEGATIONS

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of National Health and Welfare who, I presume, is acting for the Secretary of State for External Affairs. In view of the Canadian Press stories in the morning papers to the effect that Russia may buy $5 million worth of wheat a year from Canada, would the minister

consider recommending to the cabinet the accepting of the U.S.S.R. invitation for a Canadian parliamentary delegation to visit Russia, which was transmitted to the Canadian embassy in Moscow on January 6 of this year?

Hon. Paul Martin (Acting Secretary of State for External Affairs): My hon. friend just gave notice to the office of the Secretary of State for External Affairs a few moments before I came into the house. I suspect that if the Secretary of State for External Affairs were here he would want to take this question into serious consideration before giving a reply, if it really in fact deserves one.

USE OF PUBLIC FUNDS TO PUBLISH SPEECH BY MINISTER

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I address a question to the Prime Minister. Does the Prime Minister consider it a proper use of public funds that the information division of the Department of External Affairs should publish the speech made by the Secretary of State for External Affairs in the debate in this house on January 31, and no speeches of any of the other members who participated in that debate? I asked a similar question yesterday with reference to the publication of the speech made in the house by the same minister on January 24.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think that is a question that I should be expected to answer on the orders of the day. I think the hon. gentleman asked the Secretary of State for External Affairs about that matter a day or two ago and that he said he was looking into it.

Mr. Fleming: It was not the same matter. It was a different speech in a different debate but a similar situation where public funds are used to publish a speech of the minister but of no other member who spoke in the debate.

Mr. Speaker: Order. I think these matters could be dealt with when the estimates of the various departments are before the committee of supply.

UNNECESSARY DELAY OF UNION OFFICIALS BY UNITED STATES AUTHORITIES

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): In the absence of the Secretary of State for External Affairs, may I direct a question to the acting minister? Would the minister make a statement on the charge by the united fishermen and allied workers' union that a Mrs. Mickey Beagle and union delegates were unnecessarily delayed and questioned by United States immigration authorities while en route to meetings of the international halibut commission, the international Pacific salmon fisheries commission, and a meeting of local 3, international longshoremen and warehousemen's union, all taking place in Seattle, Washington?

Mr. Speaker: The question is unusually long. It may be one of urgency, but I do not think it is the type of question which should be asked at this time. While I am on my feet I will ask hon. members to realize that the rule which allows them to put questions at this time places strict limitations on the type of question which may be asked. I know that there is a tendency to break away from that limitation and perhaps institute a new style. The questions which are to be asked at this time are not to supervise the day to day operations of the government. They are to seek information which later may be used by hon. members in debate, which makes it quite a different proposition. This is the rule the house has adopted and the one you expect me to put into effect.

Mr. Hahn: With all due deference to your ruling, I would point out that—

Mr. Speaker: I am sorry that it just happens that I say something when it is the hon. member asking the question. He does not ask very many questions and is not at fault very often. However, the hon. member stands up and says, "With all due respect to your ruling." This is another very important rule, that rulings of the Speaker are not debatable. To what extent are we going to observe this rule? I would hope that whenever I do make a ruling, hon. members would take it that it is not debatable.

[*Later:*]

On the orders of the day:

Mr. Hahn: Mr. Speaker, I should like to direct another question to the Secretary of State for External Affairs or, in his absence, to the acting minister. Will the Secretary of State for External Affairs assure the house that he will examine into the charges I mentioned earlier so that Canadian citizens will be able to choose delegates that can properly represent them?

Hon. Paul Martin (Minister of National Health and Welfare): I did not hear the question, Mr. Speaker. It may have been directed to some other minister, but if it was directed to me, I shall see that the minister or his parliamentary assistant is advised.

ADMINISTRATION OF JUSTICE

CONVICTION OF CLIFFORD WILLIAMS—REQUEST FOR INVESTIGATION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): I should like to direct a question to the Minister of Justice which I do in the light of an article by Sidney Katz in the current issue of *Maclean's* magazine. Will the minister, in the interests of justice and humanity, make an immediate further review of the case of Clifford Williams and, if the facts are as stated in the article, order a remission to bring the sentence into conformity with the nature and circumstances of the offence?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I wish to thank my hon. friend for having given me notice of his question. As he probably knows, all matters of remission and commutation are under the care of the Solicitor General. Since the hon. member gave me his notice I have had an opportunity of speaking only briefly to the Solicitor General who tells me that he has had this case under active consideration for quite some time. After I have had a further opportunity of discussing the details of it with him, I shall be glad to make a report to the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I rise on a question of privilege. May I say that I attempted to file this question yesterday and was informed that it was an improper question to ask because the matter did not come within the purview of this parliament. I am glad, however, that the question has been asked and that it has been answered to the extent that it has been answered.

TRADE

INQUIRY AS TO PROGRESS OF NEGOTIATIONS WITH RUSSIAN DELEGATION

On the orders of the day:

Mr. H. R. Argue (Assiniboia): In the absence of the Minister of Trade and Commerce I should like to address a question to the Prime Minister. Would the Prime Minister care to comment on the report in this morning's press that trade negotiations involving a sale of many millions of dollars' worth of wheat with the Russian delegation are now in the final stage? Can the Prime Minister say when the negotiations will be finalized and the results made public?

Right Hon. L. S. St. Laurent (Prime Minister): I cannot say when the negotiations will be finalized. They have not yet reached a point where it would be appropriate to make any statement. I do not think it would be helpful for me to make any comment whatsoever one way or another on the story which is in the press this morning.

INDUSTRIAL RELATIONS

PROVISION FOR CONTINUATION OF CERTIFICATION OF UNIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the government preparing to take any necessary steps to make provision for continuation of all certifications under the Industrial Relations and Disputes Investigation Act regardless of any changes of union names that may result from the coming merger of the Trades and Labour Congress of Canada and the Canadian Congress of Labour into what will be known as the Canadian Labour Congress?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, my hon. friend kindly sent me notice of this question which I received this morning. The information he desires is, of course, related to the work of the Canada labour relations board and a matter in which the heads of the national labour unions are interested. I think I should like to have further time to discuss the matter with the chairman of the board and with the heads of the congresses before I make a statement on it.

POST OFFICE DEPARTMENT

USE OF TELEVISION ELSEWHERE THAN AT PETERBOROUGH

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to address a question to the Postmaster General or in his absence to his parliamentary assistant. Is the article in the Montreal *Gazette* of this morning under the heading "Ottawa" correct wherein it is stated as follows:

> Informants say that the Post Office Department has reluctantly decided against applying its Peterborough T.V. snooping experiments in post offices elsewhere.

Mr. T. A. M. Kirk (Parliamentary Assistant to the Postmaster General): Unfortunately I have not seen the article in the Montreal *Gazette* and the notice of the question just reached my desk since the orders of the day were called. If I were to answer the question, I would be forced to remove two of the qualifying words. I do think that the report given by the Postmaster General on Tuesday, January 24, is very full and very accurate.

BURNABY—REMOVAL OF MAIL SORTERS TO VANCOUVER

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): In the absence of the Postmaster General, may I direct a question to his parliamentary assistant? The municipality of Burnaby's population is over 80,000—

Some hon. Members: Order.

Mr. Speaker: Will the hon. gentleman be kind enough to put his question.

Mr. Goode: I am putting my question, Mr. Speaker, but I have to put that part. That is my question. Orders have been issued by the Postmaster General—

Some hon. Members: Order.

Mr. Goode: This is part of the question. I am going to show you I must put this before I can put the question. Orders have been issued by the postmaster at Vancouver that all mail sorters in the Burnaby South postal station are to be removed to the Vancouver post office and that mail is to be sorted in Vancouver for Burnaby. Will the Postmaster General countermand those instructions until the two members of parliament from Burnaby have a chance to make a protest?

Mr. Speaker: I understand that a protest is now being made through the very question the hon. member is asking. These matters are part of the administration of the department and they should be held until the estimates of the department are before the committee of supply.

INQUIRY AS TO PAYMENT OF REMOVAL EXPENSES OF EMPLOYEES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Acting Postmaster General. At such times as the post office changes the place of employment of hundreds of its workers, does it assume any responsibility for the cost of those workers moving their families into the city of their new employment?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I shall be glad to draw the Postmaster General's attention to the question.

PRIVILEGE

MR. ARGUE—CORRECTION OF NEWS BROADCAST

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I wish to correct a radio news broadcast this morning reporting that I supported the suggestion of the Minister of Agriculture that Canadian wheat be exchanged for immigrants from the United Kingdom. Yesterday in this house I termed the suggestion "bankrupt" and in no way supported it.

CRIMINAL CODE

SEX DEVIATES—INQUIRY AS TO INSTITUTION OF REFORMS

On the orders of the day:

Miss Margaret Aitken (York-Humber): Mr. Speaker, I should like to address a question to the Minister of Justice. In view of the recommendations made yesterday by the Ontario attorney general, urging that reforms of the Criminal Code regarding sex deviates be instituted, is it the intention of the government to look into those reforms at once?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, it is always our practice to give careful consideration to any recommendations which provincial attorneys general or law enforcement officers may make.

NATIONAL DEFENCE

INQUIRY AS TO INSTALLATION OF JET ENGINE IN FIGHTER AIRCRAFT

On the orders of the day:

Mr. J. A. MacLean (Queens): Mr. Speaker, I should like to direct a question to the Minister of National Defence, and in his absence, to his parliamentary assistant. Is the Pratt and Whitney turbo jet engine a more advanced design than the K-57 to be installed in Canada's first supersonic fighter aircraft?

Mr. P. T. Hellyer (Parliamentary Assistant to the Minister of National Defence): Mr. Speaker, I think this question is one which could properly be answered when the estimates of the department are before the house. I shall take the question as notice and see what information I can find.

INCOME TAX

REQUEST FOR PROVISION OF DIFFERENT FORM

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Revenue? Will his department consider publishing a form to enable income tax payers to take advantage of section 36 (1) which provides special treatment for the lump sum payments received from a pension fund?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I will direct the attention of the officials of the taxation division to this matter.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration (including advisory committee on agricultural services), $496,998.

Mr. McCullough (Moose Mountain): Mr. Chairman—

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Chairman, the estimates for the Department of Agriculture for this year are down slightly but only slightly, and one could say they are practically the same as they were a year ago.

There will be explanations to make as we go along with regard to the different items and it is not my intention at the moment to deal with the different items further than to state what I have said.

Two or three matters which have been discussed rather freely since the beginning of the session concern agriculture. I did not discuss them on the address because they had already been listed for discussion on the order paper and two of those matters have since been discussed and I do not intend at this time to say anything with regard to them.

One of these matters was the 5 per cent loan and another was the payment of storage costs. There were other matters which could more properly have been brought up on my estimates which have also been discussed. I have mentioned the first two and the others have to do with farm production and marketing problems in general, all of which affect farm income across Canada, and I intend to confine my remarks largely to those matters which have had some discussion from day to day but no complete discussion.

We hold a conference in Ottawa in December of each year which is attended by ministers and officials from right across Canada from the different departments of agriculture across the dominion, and last year we had a representation of the farmers' union from two provinces, the province of Saskatchewan and the province of Ontario. In addition to that we have representatives of the different countries with which we trade in agricultural products either through importing agricultural products from those countries or shipping agricultural products to those countries, and then we have the press, particularly the agricultural press, represented at that conference, who take down any of the discussions and make them known to the public.

We have had papers prepared on Canadian and world conditions as related to the purchase of Canadian farm products and the possible production to meet known markets at home and elsewhere. The reading of these papers has been followed by discussions which have resulted in the leading agriculturalists from across Canada carrying a message to farmers from wartime until now which has brought about certain results. The first is that areas utilized for the production of apples, potatoes and most special products excepting tobacco have not changed greatly. Surpluses of these products go to the United States, Britain and South America and we do make some exports in small amounts to other countries.

The second is that while there has been little change in the production of milk there has been considerable adjustment in the use made of milk in order to meet the condition under which our dairy products are marketed in Canada.

The third is that it was found advisable to adjust our production of eggs and pork to the requirements of the Canadian and the United States markets.

The fourth is that considerable surpluses of farm products have been confined almost entirely to cattle, barley and oats, and these have gone chiefly to the United States, and to wheat which has gone to Britain and to some other countries.

In 1954 we exported $236 million worth of farm products to the United Kingdom and $235 million to the United States. There is just a million dollars difference between the quantities that we sent to the two great countries to which we export goods. To other countries we exported $382 million worth of agricultural products. The greater part of our exports to the United Kingdom are wheat and flour and the greater part of our exports to the United States are grains for feed, seed and brewing. In addition to that we export live animals and animal products.

I wish at this time to spend a little more time on dairy products and particularly butter than any of the others that I have dealt with in the distribution of problems which concern us at the present time.

Those problems are concerned first with the production of farm products and later with the marketing of them.

There is one which has raised quite a bit of controversy in the country and that is the question as to how our plan has been developed in connection with butter and what the present condition is in relation to it. I thought it best to deal with that at once in order that the information might be on the record to be

dealt with by others as we go along with our estimates and particularly at the time when we come to the dairy item.

There has been considerable discussion about butter. In order to get a correct background it is necessary to go back over the records. I have done so by going back 20 years but I shall just deal with the record at the end of each five years.

The production in 1934 was 334,974,000 pounds of butter and the stock carried on the first of January of that year was 22,027,000 pounds. The production five years later in 1939 was 356,972,000 pounds and the stock carried as of the first of January was 45,120,000 pounds. In 1944, five years later, the production was 336,257,000 pounds and stocks on January 1, 1944, amounted to 46,683,000 pounds. In 1949, five years later, production was down to 313,827,000 pounds and stocks at the first of the year stood at 37,649,000 pounds.

Then I am going to ask the committee to note that in 1954 we produced 334,343,000 pounds of butter, while in 1934, twenty years before, we produced 334,000,000 pounds. So that the suggestion that there has been a great change up or down, particularly up, in the 20 years that we have gone through is hardly borne out by the facts. The statistics indicate that production was the same in 1954 as in 1934, and at the end of the five-year intervals two years were higher and one year was lower than that figure.

For the 10 years immediately after 1934 the production figures were higher than in 1934, while for the next 9 years they were lower than in 1934 or in 1954. But the variations were within a range of 75,000,000 pounds annually and were due to differences in grass or variations in price or increased production of cheese or some other product made from milk. There was a variation up and down for that 20-year period of around 75,000,000 pounds, but generally speaking production was on a fairly level range.

During the six years of lowest production from 1947 to 1952 we imported 42,500,000 pounds of butter. During the first two years the average monthly price of butter at wholesale at Montreal varied from 40 cents a pound, while we were importing butter, to 68 cents a pound.

I give that background in order to indicate what the situation was at the time the present plan was worked out and put into effect in this country. We had just imported very considerable quantities of butter and when we were importing that butter, which was in the wintertime when the farmer required a higher return for the butter produced during that period if he was ever going to require it, that butter was down to around 40 cents per pound wholesale. Then later in the same year it was up to 66 cents per pound wholesale and in the next year it went up to 68 cents a pound. So it was in order to stop these variations and get a plan under which we could have something which would work better that the present policy was brought into being.

We brought the present plan into effect in 1949. We agreed to buy butter in storage at 58 cents a pound, grade A, Montreal and Toronto. Butter in storage jumped to 56 million pounds by January 1, 1950. You will note that in the last year of the record I gave a moment ago the amount was 37 million pounds, and in the first year of price support, whether that was the reason or whether it was something else, storage jumped to 56 million pounds on January 1, 1950. The result was that we were stampeded, you might say, into reducing the floor to 53 cents and largely because of poor pasture, although the price might have had something to do with it, we had to import 22 million pounds of butter in 1950 and 1951 in order to meet the requirements in Canada.

During the shortage in February, 1951, while butter was being imported, the price went up to 85 cents to the consumer on most markets and as high as 90 cents a pound on the Toronto market. This proves that we needed storage of at least 78 million pounds of butter, the 56 million pounds in storage on the first of January and 22 million pounds more imported, in order to supply the needs of this market under the conditions which prevailed, and those conditions were largely brought about because we had poor grass in 1950 and 1951.

I wanted to lay that down in order to say this. This proves that we need storage of at least 78 million pounds of butter on January 1 in order to be absolutely sure we can hold butter at a stabilized price to the consumer based on 58 cents a pound to the producer. I think the facts prove that conclusively and therefore there is not much more I need to say with regard to that point.

On January 1, 1954, we were carrying 71 million pounds. That is 6 million pounds less than the figure I used. On January 1, 1955, we were carrying 91 million pounds of butter, which is about 13 million pounds more than the figure that has been proved to be absolutely necessary. This year, although we were only carrying 81 million pounds on government account as of January 1—it is recorded that the trade is carrying 19 million pounds—we have decided we can reduce our holdings by some 10 million to 20 million pounds by disposing of that much butter

and thus keeping ourselves in a safe position in connection with the plan which was put into effect back in 1949.

Since 1950 the cost of the plan, including the $1,600,000 paid to the trade to reduce the price from 58 cents to 53 cents, has been over $6 million, and when we take into consideration all the moves that have been made this year to reduce the holdings to a lower level the figure will probably reach $8 million by May 1, although I am not certain whether the figure will be a little higher or a little lower. This would indicate that the cost per pound to the government may be between a third of a cent and half a cent a pound over the period that the plan has been in operation.

This will be our most costly year because we have been disposing of the accumulations over five years which we held to make certain there could be no manipulation of the market to the detriment of either the producer or the consumer. Again I repeat we are quite satisfied that that condition requires us to have at least 78 million pounds of butter as of the first of January each year in order to maintain the position that was established under this particular plan. All I want to say with regard to that is that is exactly what I have had in my mind when I have stated from time to time that there is no troublesome surplus so far as we are concerned.

The fact that there may be a considerable amount of butter in May, probably 40 million to 50 million pounds, is not a new thing. The record I have read indicates that we had 56 million pounds in storage on the first of January when we started and in other years the amount in storage has been very close to that figure. The fact is that our production is up and down owing to grass and pasture changes from year to year, just as wheat yields change from year to year, and because it goes up and down there has to be some provision made for the years when we may not have butter on hand.

Under present conditions, with approximately 78 million pounds of butter always on hand as of the first of January, we can make fairly certain that it is not going to be necessary to import butter into this country, and I am sure that will meet with the approval of members on both sides of the house. Members on this side of the house recall when a government composed of members of the official opposition first allowed margarine to come into the country and first allowed it to be made here. As a result of that action we had a real, live political issue which affected candidates right across the country and we had a change of government. Then prior to 1930 a Liberal government composed of members from this side of the house allowed the importation of butter and 42 million pounds came into the country, pretty much the same figure I referred to a few moments ago that we are trying to prevent coming in again.

Forty-two million pounds of butter came into Canada from New Zealand and Australia, and I still remember trucks going up and down the roads at election time carrying the cartons in which the butter came. I am quite sure that the members of the opposition who were so anxious at that time that we should not create conditions under which butter would come into this country will be most helpful now in order to see that that kind of thing is not done. We think it is absolutely essential to have 78 million pounds, which is close to 80 million pounds. Right now we have only 70 million pounds of butter. We think it is important to have that much butter on hand in order to see that this policy is carried into effect.

Mr. Brooks: May I ask the minister a question?

Mr. Gardiner: Yes.

Mr. Brooks: How long can butter be safely kept in storage? For what period of time?

Mr. Gardiner: We can keep it in the best of form at least for 1½ years. Some maintain that you can keep it much longer that that. In that connection I think I should say that we have in storage in this country scarcely any that was produced before May of 1955. Practically all the 1954 butter is gone. What has not gone up to now—and that may be 5 million or 6 million pounds—will go out in the trade without any difficulty in the weeks that are still ahead of us. In that regard I should say this. I had not intended to say it at this stage but inasmuch as the question has been raised, maybe I should do so. We grade all the butter into storage. It must grade No. 1-A to go into storage and it must grade No. 1-A to come out of storage and to go into the trade. Hence it is all No. 1 butter both going in and coming out of storage under this plan.

I rather resent the suggestion that has been made once or twice when we talked about selling butter out of the country so that we could continue a plan that makes it unnecessary for us to bring butter in. When we talk of sending a little bit of butter out, somebody always says, "Oh, that butter is stale" or "That butter is spoiled" or "That butter has been in there for two or three years". May I say that there has been no such butter going into the trade anywhere

in Canada from government storage. With regard to that matter I should say that that does not mean that there is no stale butter being sold on the Canadian market. We never handle it at any time. We do not place in storage at any time more than one-third of the butter that goes onto the market in Canada but there is being marketed all the time in this country butter that this government has nothing to do with except to regulate the grading of it across the country under our regulations which deal with that kind of thing.

There is one other question which I am sure someone will be asking me about if I do not give the facts with regard to it, namely the recent sales of butter to Europe. In June and July of 1955 we sold 314,832 pounds of butter. I was over in Britain at that time and I have read the discussions which took place in this house while I was away. I therefore do not need to discuss the question further now. Hon. members discussed it quite fully at that time. In December, 1955, we sold 895,639 pounds of butter to Czechoslovakia; to East Germany in November and December we sold 6,024,760 pounds and to East Germany in January, 1956, we sold 1,984,304 pounds. That makes total exports of 9,219,535 pounds. I call attention to the fact that these figures are higher than the figures that were given to the hon. member for Lanark in the answer to a question a few weeks ago. With the January sale the total now is 9,219,535 pounds or about 9¼ million pounds. It is getting up towards 10 million pounds. We are still carrying on negotiations which could result in the sale of butter to European countries. As I said a few moments ago, the plan that we are attempting to carry out would not be injured in any way at the present time if we found it possible to ship from 10 million pounds to 20 million pounds of butter out of Canada.

In addition to that, I am sure that someone may want to know what the results were of our providing butter to institutions at lower than normal price. I have here the figures up to January 27 and I can give them to the committee. The total quantity of butter in pounds that went to institutions was 6,179,660. That is not quite a year but it is almost a year. We started about the middle of February last year. I have not the figures right up to date but the figure will run somewhere close to 6½ million pounds. The value of the discounts on what I have listed here is $1,297,728.60. That sum has been added to the sum I used previously in the conference in December which covered our sales up to that time to Europe and the loss we had taken on sales to Europe, and covered our losses of $3 million over the preceding years in doing one thing and another in connection with butter. We now have a figure which, when we come down close to the end of the year, will run about $1,500,000 which has been discounted from the actual price of the butter. The important thing about the matter is we started out to prove to our satisfaction one of two things: Either that people or institutions use more butter when they are getting it cheaper or that they may use more butter and less margarine when they get it cheaper. The statistics do not indicate that they have done so in this case. They are using just about the same proportion of butter—maybe a little bit more in some places and a little bit less in others—at 40 cents a pound as they used previously at 61 cents and they are using about the same amount of margarine now as they used previously.

Mr. Dufresne: Will the minister permit a question?

Mr. Gardiner: Yes.

Mr. Dufresne: Has the minister the figures for each province?

Mr. Gardiner: Yes.

Mr. Dufresne: Can he say whether, in the province of Quebec, this arrangement of giving butter to institutions at 40 cents a pound has increased the consumption of butter?

Mr. Gardiner: I had better look at the first sheet as well as the last one in order to answer that question. I have them all here for every month of the year that we have been operating. As of March 4—that is the first report we had—in Quebec the number of institutions there then was 236. Of course the numbers may be different now. They used 154,000 pounds of butter that month; the figure is closer to 155,000. If the hon. member is taking them down, maybe he had better put the round figure at 155,000. *They used only 6,000 pounds of margarine. Then they had other fats, neither margarine nor butter, amounting to 53,000 pounds.** Just to keep the records close together so that I do not have to go back over too many, may I give these further figures. In Ontario, the next province, they used 118,000 pounds of butter, or closer to 119,000 pounds, 31,000 pounds of margarine and 36,000 pounds of other fats.

Now, those are the figures for the two provinces. Coming down to the last month I have on hand, there are 777 institutions in Quebec now which is about three times as many, and in the last month they used 297,000 pounds of butter, *13,591 pounds of margarine and 103,146 pounds of other fats.** In Ontario there are 403 now where they

**For explanation of italicized words see page 1097 et seq.*

had 276 before. There is not as big an increase as there was in Quebec. They used 141,000 pounds of butter—nearly 142,000—33,324 pounds of margarine and 61,550 pounds of other fats. There is no great difference in the proportions used in the institutions in the first month as compared with the last month except for the fact there are more institutions in the last month of the year than there were in the first month. In total, the number of institutions that were in in the first month was 1,068—that is right across Canada—and those 1,068 institutions used 426,000 pounds of butter; 75,000 pounds of margarine and 140,000 pounds of other fats. In this last month 2,001 institutions used 629,000 pounds of butter; 104,000 pounds of margarine and 235,000 pounds of other fats.

I believe when you analyse that you will find there is no great difference in the proportions of butter and margarine that were used as a result of the reduction of 21 cents in the price of butter. That is something that is worth knowing, but I do not know whether it is worth $1·5 million to find it out. We have not yet determined whether it is something we should continue for another year in order to assist in doing some of the things some people think we ought to do, that we ought to distribute more butter in Canada and less elsewhere. This point will be fully considered by the government as we go along, and some decision made with regard to it.

I believe those figures form the most of what I wanted to say with regard to the position on butter. There is only one other thing that I think should be said at this time in order that hon. members might have the information upon which to base discussions, and that has to do with the consumption of margarine and butter. The fact is we are consuming in Canada as much butter now as we were before margarine was permitted to enter the country. However, there are more people consuming it. If we are not going to increase our production of milk or increase the production of butter, then the farmers who are producing butter are able to get rid of it in about the same quantity as they got rid of it before margarine was permitted in the country. On the other hand, if it is our intention to try to increase dairy production in Canada, the fact that margarine is here no doubt has some effect on our efforts.

The effect of margarine is pretty well indicated by the figures that were brought out the other day by the hon. member for Lanark. I only heard one figure that he used which I thought was slightly out of line with the figures I have here and which are in my own mind. When margarine was permitted to come into this country we were using 28 pounds of butter per capita. We now use 21 and a fraction. The most important fact in my opinion is that the reduction from 28 down to 21 and a fraction came about during the first year that we had margarine. The per capita consumption has remained at 21 and a fraction since that time. I think the hon. member for Lanark said that last year consumption of butter was down by 8 pounds, or margarine up by 8 pounds, but my records indicate, so far as I have them up to date, that it was 7 and a fraction every year for margarine and 21 for butter. The consumption of butter per person, therefore, dropped about 25 per cent but because of the increase in the number of persons the total amount of butter being consumed in Canada is about the same as it was when margarine was permitted in the country.

The Chairman: I am extremely sorry to interrupt the minister, but it is my duty to advise him his time has expired.

Some hon. Members: Oh, no.

The Chairman: Has the minister unanimous consent to proceed?

Some hon. Members: Yes.

Mr. Gardiner: I am sorry. I suppose I did not read the rules carefully enough and I did not realize that in this case one introducing a subject had to be within the limit.

Mr. Blair: Before the minister leaves the statistics, I may say that I have a question on the order paper and in view of the fact the minister has the statistics here could he say what were the total stocks of butter on January 1, 1952; 1953; 1954; 1955 and 1956. The other question is, what were the government-owned stocks on those dates? If the minister has those figures, I should like to have them.

Mr. Gardiner: I do not know that I can give the figures for the government-owned stocks. I would have preferred to bring out the figures at the time we were discussing the item. What were the years the hon. member mentioned?

Mr. Blair: I mentioned 1952, 1953, 1954, 1955 and 1956.

Mr. Gardiner: We have not 1956 as yet, and I have not 1955 here on this list which is the regular list that is published. The stocks as of January 1, 1950, were 56,134,000; 1951, 39,319,000; 1952, 64,974,000; 1953, 54,497,000; 1954, 71,312,000. I think I gave those figures in my earlier remarks. The one other which I also gave was 91,000,000 on January 1, 1955.

Mr. Brooks: You gave 10 million for 1956.

Mr. Gardiner: That is 1 million for 1956, 1,300,000, I think. I gave a figure a week or

so later after we had sold some few million pounds to Germany, and it is still lower. You will find the figures with regard to that on *Hansard*. In addition to giving the figures now, I wanted to say those things with regard to butter.

Then, there was one other question which had been discussed here. People have said that I said certain things and I did not say other things. The other day we had some little discussion about what had been said in an article in the Winnipeg *Free Press*, so I brought the article along because it does set a point at which I can start a discussion on farm income. I can quite understand why the hon. member for Moose Mountain was misled by the statement he was reading from.

Mr. McCullough (Moose Mountain): Apparently the farmers were, too.

Mr. Gardiner: No, they were not at all; but if you go back to it you will find that it is one of those things—I know my friends will laugh about it, but I had nothing to do with it. Therefore, you can laugh at somebody else. If you go back and read the article which emanated from Hamilton you will find you read the word which was there, and it is quite proper that you should do that. The word is "not", but if you read the article through you will see it is a typographical error. The word is "net", not "not". It goes on to say that I dealt with both net and gross cash income and indicated that maybe something else should have been done. They said the figures were correct, which is more, and the figures were correct.

The article which caused the discussion down in Hamilton is headed: "Not so hard up". You cannot find that in the article at all, even as reported in the press; except by leaving off half a sentence. Here is the sentence:

> Right Hon. James G. Gardiner, federal Minister of Agriculture, Monday stated that farmers are not as hard up "as some people would try to have us believe".

That is what I said. That does not really mean that they are not hard up. It does not really mean that they are not having difficulties, but it does mean they are not as hard up as some people are saying they are.

Mr. Nicholson: How hard is hard up?

Mr. Gardiner: Well, my hon. friend was not so hard up when he could pay income tax on his farm earnings, as he told us last night. I do not know anyone in Saskatchewan who should be harder up than the hon. member for Mackenzie when he is farming. You can figure that one out later.

Here is what they report me as having said:

> Mr. Gardiner said total income for Canadian farmers in the last five years was $13,037 million, the "highest by far we have ever had". For the previous five years gross income was $10,359 million. He noted there had been a 30 per cent increase in the most recent period. He added that the net farm income in the last five was $8,349 million compared with $6,636 million for the previous five years.

Then it goes on to say that I said something about butter.

Mr. Nicholson: Has the minister the figures for the last two years, because the five years would be unfair?

Mr. Gardiner: I am going to deal with all those figures and, with the permission of the committee, I shall put them on the record because many people who have not read them need to read them. I have read them all.

If I have the permission of the committee to do it, rather than read them all, I should like to put the figures on the record.

The Deputy Chairman: Has the minister permission to put the figures on the record?

Some hon. Members: Agreed.

Mr. Gardiner: It seems a little difficult for some to analyse those figures when they are all on one big sheet. This is gross cash income. This is the sheet as published by the bureau of statistics. It gives all the provinces separately. By adding up the figures in the different periods you can get the results.

The net income is given on this sheet. It might be interesting to some hon. members to know that prior to 1938 they did not show net returns. I wondered whether that is owing to the fact that in the five years previous to that the highest cash income for farmers was $536 million, and the lowest was $412 million. I can quite understand that with that little cash coming in farmers probably did not have any net income. They probably had less than a net income. Therefore, I have no figures back beyond 1938 for net income. The figures of gross cash income are here right back to 1926.

In order to answer some of the things that have been said—and before doing that may I say I read it in the Regina *Leader-Post* which came yesterday. It was not put out by me, it was put out by the organization that my friends from Saskatchewan have been quoting in the last couple of weeks, namely, the Saskatchewan wheat pool. They call attention to the fact that there was a drop of $400

million in farm income in this country in the years referred to. They refer to the $400 million drop in income in the three prairie provinces, and they say there was an increase in all the rest of Canada.

I want to put on the record the figures that I have here which were taken from the farm cash income and net income sheet published by the statistics branch of the Department of Trade and Commerce.

FARM CASH INCOME: RECEIPTS FROM SALE OF FARM PRODUCTS, 1936-1955

(million dollars)

	Maritime Provinces	Ontario & Quebec	Total for Eastern Canada	Prairie Provinces	B.C.	Total[1]
1936	35	258	293	272	25	590
1937	38	292	330	283	29	642
1938	37	293	330	293	30	653
1939	35	309	344	342	30	716
1940	38	329	367	338	30	735
1941	44	415	459	386	40	885
1942	58	529	587	467	45	1,099
1943	70	585	655	694	58	1,407
1944	75	628	703	1,058	68	1,829
1945	79	691	770	851	75	1,696
1946	87	738	825	835	82	1,742
1947	90	831	921	950	94	1,965
1948	105	1,021	1,126	1,234	103	2,463
1949	100	1,028	1,128	1,264	101	2,494
1950	108	1,039	1,147	973	100	2,220
1951	121	1,224	1,345	1,362	109	2,816
1952	126	1,154	1,280	1,465	104	2,849
1953	110	1,112	1,222	1,449	105	2,776
1954	115	1,113	1,228	1,045	105	2,378
1955	120	1,133	1,253	995	109	2,357

[1] Excludes Newfoundland.

NET INCOME OF FARM OPERATORS FROM FARMING OPERATIONS BY PROVINCES, 1938 TO DATE

(Million Dollars)

	Maritime Provinces	Ontario and Quebec	Total for Eastern Canada	Prairie Provinces	B.C.	Total[1]
1938	26	188	214	141	16	371
1939	24	207	231	207	17	455
1940	24	217	241	226	18	485
1941	27	273	300	190	27	517
1942	42	400	442	617	29	1,088
1943	57	408	465	372	41	878
1944	53	471	524	674	42	1,240
1945	52	469	521	404	46	971
1946	61	536	597	491	51	1,139
1947	55	520	575	581	50	1,206
1948	68	691	759	866	56	1,681
1949	66	707	773	810	58	1,641
1950	66	709	775	630	43	1,448
1951	81	892	973	1,127	54	2,154
1952	77	725	802	1,082	40	1,924
1953	63	709	772	884	44	1,700
1954	62	652	714	376	36	1,126

[1] Excludes Newfoundland.

I shall deal with the maritime provinces by themselves. In the first year we have here they start out with income of $35 million, and they finish up with income of $120 million. There is a gradual rise every year, beginning with 1936. There is not a single decrease until you get to 1948, and then it is $105 million. In 1949 it is $100 million. It goes up again in 1950 to $108 million. As one goes along—

Mr. Brooks: May I ask a question? Can the minister tell us the difference between the purchasing power of a dollar in 1935 and 1950?

Mr. Gardiner: I am sure you will do that; I do not need to.

Mr. Brooks: It makes quite a difference, anyway.

Mr. Gardiner: There is a gradual increase in farm income from 1936 until you get to 1952.

Mr. Nicholson: Gross or net?

Mr. Gardiner: It is gross. The net is here, too.

In 1951 it took quite a jump in the maritimes. It went up to $121 million; and in 1952 it went up a little higher, to $126 million; and then it dropped down again to $110 million, just $2 million higher than it was in the peak year before, 1951. In the next year it went up to $115 million; and the following year to $120 million. What are the facts in relation to that? The facts are that in the only two years in which it is out of line at all with the gradual increase are the two years when it went up higher. How is that going to hurt the farmer? What were those two years? Those two years were the years of the Korean war, and anyone could give the reasons why there was a higher income then. But whenever my friends make a comparison they take 1951, which, in any place but the maritimes, was the highest year of all. They take that year and then they calculate what it was last year, and they say it is down 23 per cent. Well, to say the least, that is not very helpful reasoning. I was almost going to say it is dishonest reasoning. I am inclined to think that that term could be applied, but if I applied it to any particular individual I suppose I would have to withdraw it.

But what about Ontario and Quebec? I have lumped them together. They start out at $258 million and they gradually go up every year from $258 million until 1950 when they reach $1,039 million, and there has not been a slump any time all the way up, and this government has been in power all the time, and not even the Duplessis government has been in power through all the time during that period.

In 1951 the income jumped by almost $200 million in those two provinces; it reached $1,224 million.

In 1952 it dropped down to $1,154 million and then the next year it started in at $1,112 million. The next year it was $1,113 million and the next year $1,133 million. There has not been any lapse in the advance at all except for the two years of the Korean war when it went up higher.

And so, as the wheat pool says in Regina, there has not been any going down of farm income on farms in general across Canada; the farm income has been higher year by year.

Now, coming to the prairie provinces, we started out at $272 million and I might call your attention to the fact that by 1944 we had got up to $1,058 million, all of which indicates that we had a very good crop in the years 1942 and 1943. We sold a lot of wheat and we had a much higher cash income that year than during any of the years up to then. It was $272 million in the first year and it gradually rose to $694 million in 1943 and then jumped to $1,058 million in 1944. That did not hurt us out west. We all recall that we have been boasting about the 1942-43 crop ever since, basing the enormous crop we did get on the fact that in 1941 we paid farmers to take their land out of crop and put it into summer fallow. In other words, we stored the grain not in elevators but in moisture in the land. The next years we produced wheat and did not have to pay any storage on it because the wheat was there. I should not say we did not pay any storage because we carried it until pretty near the end of the war but in that year we were producing a much bigger crop because we stored moisture in the ground to produce wheat and feed. We exported grain through hogs.

In 1945 we went back somewhat, to $851 million. We went down about $150 million and took a fresh start after those crops and we gradually went up again until we got to $1,264 million in 1949; that is a cash income.

You will remember that the 1949 crop was one of the poorest crops we ever had. Statistics show it was just as poor as some of the poorest crops we had in the drought period. The only reason we have not heard anything about it in this house is because wheat was so high in price at that time that it did not have the same effect on farmers that it had in the thirties. Nevertheless the crop was poor and this is shown in these figures.

In 1950 when we were selling a considerable part of that crop we dropped down to $973 million. In the next year, 1951, we went up higher than ever; $1,362 million. In 1952 it rose to $1,465 million and in 1953 we dropped down a little to $1,449 million although this is not too great a drop. In 1954 it was $1,045 million. Why? There are two reasons. One is the fact that we could not get all the wheat we had into the elevators and get anything on it and the other reason is that the crop was rusty all over the west.

I should like to remind those hon. members who think that is funny that what we did about it was to pay $32 million into western Canada under prairie farm assistance and $21 million of it, as much money as is now being paid out at 10 cents a bushel on the 1954 crop, was paid out in Saskatchewan in prairie farm assistance during the year 1955.

I think that is something that ought to be referred to when we are discussing this particular question concerning cash income and it has something to do with the fact that the income in 1955 was as high as it is, namely $995 million.

I have the British Columbia figures here which run pretty much along the lines of the figures for the maritimes and I shall just turn them in to be printed.

Mr. McCullough (Moose Mountain): Is the minister including the figure paid under prairie farm assistance in the figure for 1954?

Mr. Gardiner: They were paid on account of 1954 but they were paid in 1955. We did not get the payment out in 1954 for reasons that are well known to hon. members, because of the rust. It took a long time to get the figures lined up and the payment was made in 1955.

Mr. Hahn: Mr. Chairman—

Mr. Gardiner: Please let me finish and then I will answer questions. I wish to point out what the wheat pool said in the last statement it made which was just this week. It indicated that the $400 million drop represented in the figure for 1953 which was $1,449 million and in the figure for 1955, $995 million, represents the whole drop in farm income for the Dominion of Canada. No one can dispute those figures; they are there. And if you are going to quote from the statistics of the statistics branch of the Department of Trade and Commerce, then the figures ought to be quoted as they are and not as someone gave them in Hamilton or anywhere else. Those are the correct figures and I do not think any hon. member from western Canada, whether he sits on this side of the house or on the other, is helping the western farmer when he tries to apply that situation to all the farmers in Canada; it is brought about by a situation which developed on the prairies in relation to wheat.

There is one other fact which ought to be kept in mind. When I was speaking—

Mr. Nicholson: Before the minister leaves the statistics I wonder if during the recess he would get the percentage of farmers in all of Canada who paid income tax and also the percentage of Canadian farmers who had a net income of less than $1,000 and between $1,000 and $2,000. Would the minister get those figures?

Mr. Gardiner: My friend put that on the record twice this session within my hearing and I do not know why I should put it on again. In any case the work of the Department of Agriculture is to encourage production of a proper kind, to see that our production is properly graded and then arrange for the sale of products which are sold within Canada. Then we have the Department of Trade and Commerce arrange for the sale of products outside of Canada if we have surpluses.

I am going to say what I said a few moments ago. I know where my hon. friend farms, I know his farm. He said yesterday that he paid income tax. I am going to repeat that is probably the explanation for some of the figures he gave as to why there are so many farmers in Saskatchewan who have had to pay income tax. But they are not paying that income tax this year unless they did what most good farmers in Saskatchewan do. Good farmers in Saskatchewan, since we have had income taxes to pay, carry their wheat along knowing that they can average their income over the years by not delivering all the wheat that they happen to grow in a good year; they can deliver some of it when they would not have any income at all if they did not have that wheat.

Mr. Argue: I thought all farmers were good farmers.

Mr. Gardiner: Most of them are, but there are a few who are exceptions or who use up too much of their time doing something else to be really good farmers. But the fact of the matter is that these farmers are getting a certain income and we should indicate that they are getting it. Because income is down $400 million in the three western provinces because of wheat, we should not come out and say that everybody else is suffering, that as a result of that every other farmer is suffering. It is all very well to say that the implement dealer is suffering as a result of not being able to sell so many implements;

it is all very well to say that others are suffering, that people in business are suffering; but to say that the farmers down in Nova Scotia or Quebec or Ontario are suffering because the returns for wheat are down $400 million is going a little too far.

Mr. Nicholson: Will the minister permit another question? I gather that the minister has been trying to establish that farmers in Canada on the whole are in a strong economic position, that they have not been affected by conditions in the west.

Mr. Gardiner: I am not trying to establish anything, I am giving the absolute facts and hon. members should establish them in their own minds. These are the only facts anyone can get because they are put out by the only organization that is putting out such facts. Those facts are there.

Mr. Zaplitny: Will the—

Mr. Gardiner: If you will just let me continue. I did not have a very nice time last night trying to break in on some of you chaps. If you will let me go on and finish then you can ask your questions.

That is the position in so far as that matter is concerned. I wanted to say it and I wanted to add to that the figures on net income. I am not going to read this if I can have permission to put them on *Hansard*. They tell pretty much the same story. I did ask the officials in the department why they did not produce a net worth statement. You got me by the point you wanted to get me by, but I must come back to it.

I made a statement the other day which was questioned by hon. members on the other side. I stated at the conference held last December that real income,—not cash income and not net income—which appears on these sheets—in 1955 would be just as high as the real income of the farmer in 1953. Since those returns came out I have found editorial writers right across Canada coming out and saying that Gardiner was wrong again.

They did not use the real income, they did not use the term total income. After quoting it in the first line of their statement of what I said, they ignored the term and criticized on the basis of cash income. Every farmer in western Canada knows that there is very little relationship between the cash income today of a farmer on the western prairies and his real income. He is not getting cash in spite of the fact he is getting wheat. I therefore come back to the thought that net worth gives a better check than gross or net cash income.

The figures given to me based on that thought are these:

> The attached copy of "Balance Sheet of Canadian Agriculture" contains all the information available to arrive at net worth of Canadian farmers. Much of the information is missing, such as farmers' investments outside of the farm and debt other than to mortgage companies and government loan agencies.
>
> However, the available information indicates that in 1950:
>
> Farmers' physical assets were (excluding off-farm investment) $8,696,303,000
> Known debts were 458,155,000
>
> Known net worth $8,238,148,000
>
> While in 1954:
>
> Farmers' physical assets were (excluding off-farm investment) $10,381,438,000
> Known debts were 558,858,000
>
> Known net worth $9,822,580,000

What I want to point is that that statement indicates what men have in their minds when they are talking about net income. It is not total income at all. The net worth statement is the statement which indicates the advancement the farmer has made in that period. While in 1950 it was $8,238 million, in 1954 it was $9,822 million, or $1,500 million higher. That to my mind is a conclusive answer.

When I asked our people why they did not have a net worth statement such as they have in the United States the only answer I got was that it costs a lot of money to get it, that you must have quite a set-up in order to get it. Up to now we have not considered it to be worth while.

What I want to say to hon. members is, as I stated at the conference in December, that the real income of the farmers of Saskatchewan in 1954 and 1955 is the wheat which they grew multiplied by the value of that wheat per bushel, whether the wheat is on their land or wherever else it is. What this government is doing is attempting to have it made more valuable for them by taking up some of the costs of carrying it. I do not know how anyone can work out any better plan in order to deal with the situation as it exists.

I should have quoted another sentence on this sheet which is as follows:

> Some of the increase in net worth is due to increased land values (almost $1 billion) while some is due to increased investment in machinery, $616 million. Livestock inventory values, however, have declined by $180 million since 1950.

Put those facts all together and you get some idea whether the farmer is advancing or whether he is going backward in connection with his operations up to the present. When I talk to farmers out west I always have in my mind a statement made by Sir Wilfrid the first time I ever heard the old gentleman making a speech. He repeated that statement

in this house many times. It was made at a settlement where there were some half-breed people, some French-speaking people and some English-speaking people. He said something that one of those people repeated to me the first time I went around looking for votes in 1914. A person said, "When Sir Wilfrid was here in 1895 he said to us, 'Your pony is worth $25; put us in power and it will be worth $100' ". He said when Sir Wilfrid came back in 1910 we were getting $100 for a bronco. He went on to say, "A cayuse is worth $100 to me; I am going to vote for you." Sir Wilfrid said more than that. He said, "People are going around trying to tell you that you are no better off than you were before." He said, "All I know about it is that when we came in, all you had to do to find out whether you were wealthy or not was to put your hand in your pocket and there was nothing there, but now when you go to town or go out and want to play pool or do some of the things you like to do you can put your hand in your pocket and you find coins there." Exactly the same situation exists today.

If one wants to compare the present period with the period before this government came in he will recall that when we were at a public meeting all they talked about was the fact that they had no cash, whether it came from—

An hon. Member: You can play pool.

Mr. Gardiner: I think I could beat my hon. friend at that. The fact is that at that time we did not have cash. Our friends in the official opposition did do something about it, they paid 5 cents a bushel on all wheat.

An hon. Member: That was a compensating adjustment.

Mr. Gardiner: Yes, 5 cents a bushel on all wheat produced in the province of Saskatchewan in that very difficult year, 1931, I think it was. The result was that the people who were farming in the community that the hon. member for Mackenzie comes from got $2 an acre because they had 40 bushels to the acre whereas people living down near the district that the hon. member for Assiniboia comes from had nothing and did not get anything. That is the way it was handled at that time. I do want to point out that in the way it is being handled now it does not have that kind of result. Farmers in areas where there is a good crop do get a price eventually even if they are not able to get it all in one year. In the areas where the farmer has little or no crop there is prairie farm assistance to the extent of the $32 million that he got last year and he has other assistance as well which helps him and puts him in a position where he has cash in his pocket. The policies we have been discussing for the last two or three days do the same thing.

I am going to conclude by saying that I think the department has done a very good job over the last 20 years and it is a very simple matter to show anybody that they have because we are spending ten times as much to assist agriculture now as any government, Liberal or Conservative, ever spent before. You may argue that it is not all being well spent, as I suppose some of you will, but nevertheless most of the farmers think that it has been at least fairly well spent and that the intention to do something for them is just ten times as great as it was under any other government we have had, Liberal or Conservative. Therefore they are fairly well contented when the right picture is put before them. I suggest to my friends that when they get *Hansard* tomorrow with the tables therein they examine the tables very carefully. I think they will find the argument I have made is absolutely sound. As we go along through the estimates I will be prepared to discuss any of these matters in detail.

The Deputy Chairman: In order that there may be no misunderstanding, is it agreed that the minister has been given consent to place on *Hansard* the various tables of figures from which he has been quoting?

Some hon. Members: Agreed.

The Deputy Chairman: I see several hon. members rising to their feet and I propose to recognize the hon. member for Brant-Haldimand to make the next speech, but if there are pure questions of clarification of the remarks made by the minister and they are restricted to that I think it might help if we had them now.

Mr. Zaplitny: With respect to the net worth calculations that the minister gave, what basis was used for calculating the physical assets of the farmers of Canada?

Mr. Gardiner: What basis did I use? I did not use a basis at all. The bureau of statistics used it, and I suppose they used the same basis as any similar organization uses in figuring these things.

Mr. Zaplitny: The question is, what was the basis? Is it the basis that the income tax department uses or did they have a basis of their own?

Mr. Gardiner: This is not from the income tax branch. It is from the statistics branch.

Mr. Cardiff: I should like to ask the minister this question. Can he give us the percentage

of the gross national product according to population that the farmers got in the last year or two?

Mr. Gardiner: I cannot give that offhand. I gave the total figure but I did not give it in proportion to the gross income.

Mr. Hahn: I have tried on more than one occasion to get the minister's attention to have him put the British Columbia figures for agriculture on the record as he did for the maritimes, the central provinces and the prairies. I would appreciate it if we could have that.

Mr. Gardiner: It will be all on the record tomorrow.

Mr. Hahn: It does not help very much today when the figures for the other provinces have already been given.

Mr. Gardiner: I could give you one copy but I have not got one for everybody.

Mr. Carter: I should like to clarify one point arising out of the figures the Minister of Agriculture put on the record this morning. The figures indicated a steady increase in net income over a period of years, but certain members of the opposition said that during that time the purchasing power of the dollar had depreciated. Can the Minister of Agriculture tell us whether the number of farmers sharing that net income has decreased to a point where the average individual income of a farmer would be keeping pace with the depreciation in the dollar?

Mr. Gardiner: In the first place I should like to correct the suggestion that I read the net income figures on the record. I did not read them. They are to go on the record, but the figures I read were cash income. The net income figures will be included in the table. I did say that the net income figures bore out the same argument I was making. With regard to the number of farmers, if you just take the two figures that are given the statistics indicate that there were not as many farmers in Canada in 1951 as there were in 1941. However, I am not too sure that gives the right picture because in 1941 all the land you had to have in order to be a farmer was one acre whereas under the 1951 census you had to have three acres. I believe those are the figures. That lops off a lot of persons who some people would say at once are not farmers. I am not too sure whether or not it is correct to do that, but that was what was done. I cannot say definitely how many farmers there are in any particular province now compared with the past, taking exactly the same basis to check them, but in looking at the situation in my own district I find it is pretty difficult to get anybody off the farm. I have been trying to buy one for quite a few years and I have not been able to do so.

Mr. Brooks: Come down to New Brunswick.

Mr. Gardiner: That is too far away for me. However, that is the indication in our area. The same farm families who homesteaded the land are still on it in most cases, which is another fact that should be remembered. Whether or not that applies to New Brunswick I do not know but it applies in Huron where I was born. I go back there to visit the people living there now and the people living on the old Gardiner homesteads are nearly all relatives of mine.

Mr. Cardiff: That is the best place you have ever lived.

Mr. Gardiner: Oh, it is a good place.

Mr. Philpott: Could I ask one question about the figures for margarine in Quebec? Some of us were under the impression that the sale of margarine in Quebec was illegal.

Mr. McCullough (Moose Mountain): In view of the fact the committee has given unanimous consent to the minister to extend his remarks, and since he has explained the situation with respect to butter at some length but has not made any reference to hogs and eggs, I wonder whether he would give us a resumé of the situation regarding those two important commodities and the question of floor prices.

The Deputy Chairman: Before the minister answers, in fairness to the hon. member for Brant-Haldimand, whom I indicated I intend to recognize, I think I should reiterate that I thought the committee as a whole would like me to enable members to clear up some points they tried to raise during the course of the minister's remarks and which he requested be left to the end. However, the hon. member is raising entirely new subjects and as I do not think we are going to complete this particular item before lunch I now see the hon. member for Brant-Haldimand.

Mr. Charlton: Thank you, Mr. Chairman. I know we are all very much interested in the remarks of the Minister of Agriculture. He said, of course, that the figures he gave were irrefutable, but I will say that they can be very misleading. I am not going to try to refute any of the figures the minister has given. However, I just want to point out to him that he ignored or practically ignored the fact that margarine came into this country about 1948 or 1949, I believe it was, and that those butter figures have increased considerably ever since then. I think probably he is ignoring that fact when he figures out how much butter must

be held over in order to—according to the expression that has been used—keep the pipe line filled. The minister has coined several new expressions today and they are extremely interesting. But when he says that they need 78 million pounds of butter in order to make sure that the consuming public will have all the butter they need, I still say he is losing sight of the fact that the consumption of margarine has increased to almost 10 pounds per capita, as I understand it.

In reference to the dominion-provincial conference—and the minister made some slight reference to it—I should like to suggest sincerely that that conference has been of great value—and I will admit that—for the purpose for which it was set up back in the war years. But now I would say that it has simply become a listening conference, to a great degree; it has become a conference listening to dominion officials with long speeches and masses of figures. I think it could serve a useful purpose if committees were set up and some solutions to the various problems were worked out when all these various ministers and officials are here from all across the dominion. I think it would be advantageous to the minister himself and to his departmental officials to have the results which might be achieved by these committees meeting and working on the various problems.

We now come to the statement the minister made on farm income. As I said before, Mr. Chairman, figures can be most misleading. In the first place, all the figures the minister gave to us were gross figures, as he suggested just previously in answer to the Newfoundland member. Does the minister realize what the net position of the farmers is? I should like to ask the minister to define this term "real income". I do not know, but apparently it is a net worth statement. I have always heard of gross income and net income but I had never before heard the term "real income" used. I should like to hear the minister define "real income" and to find out whether it is other than a net worth statement.

This gross income figure means little. I will leave it to the good judgment of the farmers in eastern Canada to answer the minister and to say whether they agree with him when he says that they are better off now than they ever were before. The figures that he gave would indicate that situation. They would indicate that their income has increased practically every year since he became Minister of Agriculture. Of course he forgets that the country has been going ahead in spite of the fact that any particular government was in power and that the value of a dollar now is less than 50 per cent of what it was in former years. I should also like to ask him if he agrees that there is a parity price. On one occasion previously he admitted in the house that he did not know the definition of parity and that probably nobody else did.

Mr. Gardiner: Not exactly that. I said that none of us agree as to what it ought to be.

Mr. Charlton: That could be said for many things other than parity price. I am using the figure set forth by Dr. Hannam of the Canadian Federation of Agriculture when he says that at the present time—and he made this statement last fall at the dominion-provincial conference—we are back within one point of the position we were in back in 1940. He was referring to the parity price position of the farmers across Canada. That is the only meaningful statement that we can take for actual net worth, namely that the parity position of farmers across Canada is within one point of the position we were in back in 1940. Would the minister suggest that the eastern farmers are now in as good a position as they have ever been in?

Mr. Gardiner: You will notice that I did not say that. It was you who said it. I said that the figures spoke for themselves.

Mr. Charlton: Mr. Chairman, the minister often misleads with figures. By the use of figures he certainly intimated that the eastern farmer was now in better condition or in a better position than he had ever been in previously because he said the $400 million loss was entirely in the western provinces.

Mr. Gardiner: That is a different thing. I proved that he had more cash than he ever had in that period of time but that does not prove that he is better off.

Mr. Charlton: I am glad to hear the minister make that admission, because I am going to leave it to the farmers of eastern Canada to say whether or not they are better off. I do not care what the minister says. I do not think many people will agree with him. I notice that the minister just patted his own back a little bit for the fact that these figures were so good since he had come into power. I suggest to him sincerely that he is probably the only one that is patting his back because few farmers across Canada today are doing so. I wonder whether the minister deducted the 5 per cent interest they are going to have to pay on the loans before he came to the net worth statement of the western farmers?

Then we have the statement of the Minister of Trade and Commerce made the other day in the House of Commons. I know that I am not supposed to quote from a previous debate in this house but I can at least put it

in my own words. I would hate to agree with the minister when he stated in effect that the Canadian economy was travelling in the highest gear possible at this time. I would hate to think that we are going to stand still from now on. In spite of what government is in power, I think Canada has a great future and that it is going to go ahead and not stand still.

He also suggested that if we had had a dry spring or a dry summer last year, the situation would have been far different than it was in relation to wheat and butter, that there might have been a deficit position or a scarcity in the supply of wheat and butter. I was under the impression that the minister was here in Ottawa last May, June and July. But apparently he was just in the city. Never in the history of the Ottawa valley has there been a drier year than last year, practically speaking. That statement applies not only to the Ottawa valley but to practically all of the province of Ontario, and the province of Quebec. Last spring and last summer were practically the driest in history. Yet the minister apparently did not know it or did not realize it. He said that if it had been a dry year last year we would probably have had a deficit in butter. I suggest to him that it did not make much difference to the farmers and apparently it does not make too much difference in their production figures. They now have other means of feeding cattle and are not dependent purely on pasture.

We have heard a considerable amount about the crystal ball, Mr. Chairman. Apparently this is just another case where the ministers and the members on the other side of the house are still gazing into the crystal ball. Few people have any faith in that form of political daydreaming and the conjuring up of mythical pictures. They are too easily beclouded with political expediency.

During the depression years the farmers survived, and in many cases only survived, by living on their capital and allowing their properties to deteriorate practically to the point of destruction. That is the only way they existed. Then, the war came along and the demand for food was increased tremendously. They had very good prospects of recouping some of the money they had lost during the previous years. But what did the government do? They set a ceiling price on all farm products. They froze prices. It was, therefore, impossible for the farmers to recoup during those years. Then, scarcities began to arise and the government was forced into a position of paying subsidies to induce greater production of farm commodities.

At that time the Prime Minister of the day assured farmers across this country that if they would not expect high prices, would not squeeze the last nickel for farm products, they would not suffer after the war. Prices would be sufficient to give the farmers a good income. The farmers across Canada accepted the challenge and produced more than they ever produced in history. They made a handsome contribution to the war effort by working long hours, sometimes under conditions that were not too good. However, the government could not control costs, and what happened? The price-cost position became poorer and poorer, and the net income of the farmer diminished. What did the farmer do? He did what he always does when he arrives at that position: he tried to produce more on the land he was using in order to make up the decrease in income. By hard work and improved methods, yields were increased considerably.

Then, we found we had surpluses. A very small surplus, Mr. Chairman, can cause a great depression in price. Around 1949 I had the privilege of visiting the western provinces. At that time and previous to that time we had been suggesting from this side of the house that we were losing, as a matter of fact, had lost, many of our British markets. This government laughed at us. They did not say we were lying, but they said everything else that meant the same thing. They said it was not true. In the west apparently the Minister of Agriculture and the various cabinet ministers travelling out there had the people believing there was no truth in that statement. Election time came, and you know the results.

The minister was in my home town of Brantford on December 7 of that year. At a meeting there the minister finally admitted what he had known for two years, and he admitted it not in the House of Commons but in a speech at Brantford. The speech was made to the Brantford board of trade on December 7, 1949. The minister said, and I quote:

> During the last two years a very decided official effort has been made to drive every one of these products (pork, cheese, beef, eggs, etc.) off the British market. And now that the four-year wheat contract is drawing to a close an effort is being made to drive off a considerable part of our wheat as well.

Before the election, Mr. Chairman, we were called practically every kind of prevaricator for even suggesting that was the case. After the election the minister admits the truth of the situation and then blames officials, apparently, from Great Britain for trying to push these products off

the British market. It is for that reason I made the suggestion many times that members of this government, particularly members of this cabinet, are paying more attention to politics than they are to the country. It has been said often that only big men will admit mistakes. This government has no agriculture policy. It just has a carpetbag appeal to various sections of the country. Apparently when ministers are going to visit various sections of the country they grab the bag for that particular section and go and make their speech. What a grab bag that is. One thing is quite clear: politics is always uppermost in their minds.

Now, we have the famous cheese import fiasco of last year. I notice it is one o'clock, Mr. Chairman.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Charlton: Mr. Chairman, at one o'clock I had just mentioned the cheese imports of 1955. I should like to go back for a moment to another matter which must be interpreted as government policy. I refer to a statement issued by the Minister of Agriculture in the dominion-provincial agricultural conference in 1953. I should like to quote a statement that appeared in the *Globe and Mail* of November 25, as follows:

> And most of Canada's surplus wheat still will go to Britain. Some might argue that Canada no longer has any large market in Britain. "But you can say," Mr. Gardiner told the delegates, "that we have the biggest market we've ever had in Britain."
>
> Mr. Gardiner felt that the best answer to questions raised at the conference "is to go out and produce what you are best able to produce."

It is obvious that at that time this government was paying no attention to any increase in surpluses. They said to the farmers: "Go out and produce what you are best able to produce". Apparently that has been the attitude right straight through.

With regard to the cheese imports last year, in the face of a terrific job being done by the Ontario cheese producers to try and market their own cheese and to keep their own domestic prices up to the reasonable figure of 30 cents, we were told at that time that we must buy cheese or some product from New Zealand to help keep our trade in balance with that country. I should like to ask the minister why it is that the farmer always has to bear the brunt of those trade balances? We buy on the protected market and we sell on the open market.

This morning I made some reference to income, and I should like to add just a word to it at this time. It appears obvious now that the minister has come up with another gimmick. It is not a new one. But if his figures were true this morning, and if he had found them soon enough he might not have had to go back five years to get the average farm income. The minister has been doing that ever since 1951 and 1952. I do not think it is fair to go back and pick out the good year of 1951 to calculate farmers' income.

In 1952 he took the 2-year average; in 1953, the 3-year average; in 1954, the 4-year average; and this year, the 5-year average. I wonder how long the minister is going to have to keep on doing that? I assume until another good year, and then he will stop and take that year alone. You know, Mr. Chairman, it reminds me of a man who has had a bleeding attack. He does not lose much blood the first day, a little more the second, third and fourth day, but on the fifth day the minister comes along and, since the average for the five days is not great, he says: "You are O.K.; you do not need any attention".

I hold in my hand a copy of the Economic Annalist of December, 1955, volume No. 6. I should like to quote figures on farm prices. In 1951, the index stood at 296·8; in 1952, 274·4; in 1953, 250·4; in 1954, 233·4. There was a steady decline. The monthly figure is given up to only September, 1955, in this issue. If you calculate the average for each month you will arrive at an average figure of 225·8 for 1955, so that there is a decrease from 253·4 to 225·8 in 1955. The consumer price index has risen from 113·7 to 116·8, and the commodities and services used by farmers, the composite, has increased from 230 to 241·3. That gives the story in a nutshell that the farmer is not as well off now as he was a few years ago. As Dr. Hannam of the federation of agriculture says, he is back practically to where he was in 1940.

I have another interesting figure on floor prices. First of all, there are the non-agricultural subsidies, and then the agricultural subsidies cost. All I am going to do is to give the figures of the percentage of these total subsidies. These are taken from the dominion bureau of statistics. Mind you, this is not the total money paid out to various people, but is what is regarded as a strict subsidy. The percentage of subsidies paid to agriculture in the year 1946 was 44 per cent of the total. In the year 1947, 36 per cent; in 1948, 44 per cent; in 1949, 37 per cent; in 1950, 53 per cent; in 1951, 74 per cent; in 1952, 64 per cent; in 1953, 58 per cent; in

1954, 40 per cent. This is the last figure we have. This will give hon. members some idea of the actual figure in percentages of the subsidies that are paid to agriculture. Do not let it be said that agriculture is the only industry that is being subsidized across the country. In only two or three years was the figure over 50 per cent, and two of those years were the years when foot-and-mouth disease had a great deal of effect upon them.

The next figure that I should like to give is the cost of the floor prices having to do strictly with butter. It has been said that a tremendous amount of money has been paid out by the taxpayers of this country to pay subsidies on butter. I shall give the cost per capita in the various years to pay the entire loss on butter by the prices support board. In 1950 it was ·025 cents per capita; in 1951, ·01 cents; in 1952, ·003 cents; in 1953, ·09 cents; and in 1954, ·003 cents. If you work it out on the basis of a family of four, which is quite reasonable, you will find that the cost, in the case of a married man, in 1950, was ·10 cents; in 1951, it was ·4 cents; in 1952, ·1 cent; in 1953, ·36 cents; and in 1954, ·1 cent. I venture to say, Mr. Chairman, that if it were not for the floor price on butter the price could go up as high as 80 or 90 cents in the winter months, and the full cost and more could be wiped out in one pound of butter.

I say to the minister that he is practicing a form of hypnotism. I do not know whether I should call it that, but if it is that, then he is a master of that profession. This form of hypnotism is also a big club. It is not quite so obvious when used in that form. It would appear, however, that either fear of reprisals or hesitancy to embarrass this government has softened the voices of some of the executives of some farm organizations across the country. Divide and conquer is this government's theme song, playing one group against the other, or one section of the economy against the other.

I commend the hon. member for Waterloo North on the speech he made in the debate on the address in reply to the speech from the throne, which is to be found at page 449 of *Hansard*. At least, I commend him on part of that speech, on that part having to do with vegetable oils and animal fats. I wish him luck in getting the government to accept his proposal. A similar suggestion was made to the dairy farmers of Canada in Vancouver in 1953 but they apparently did not want to accept it.

I see my time is just about up, Mr. Chairman. I just have this to say. This government has bogged down in many departments. Time is running out and the truth is catching up to them. The farmers of Canada want a definite statement of policy, not a piecemeal day-by-day scheme.

Mr. Bryson: I am sure that after listening to the extended remarks made this morning by the Minister of Agriculture all of us feel that we have been pretty well buttered up. That is one of the products which is bringing some real benefit to agriculture because it is supported under the Agricultural Prices Support Act and I am only sorry that other livestock products are not receiving the same consideration.

I thought it was rather significant that the minister did not bring up in the house this morning the question of supporting the price of hogs in Canada. I am not going to deal with any aspect of the minister's department other than that. I am bringing this up with a view to getting some clarification from the minister because I am sure that throughout the country there are grave doubts particularly in the minds of hog producers as to why things are as they are in respect of this so-called support price we have been led to believe is in effect in this country relative to hog production.

I think we will all have to agree that the production of pork in Canada is of considerable significance in the over-all economic position of agriculture. I have a few figures here which I am going to quote a little later on to bear out that statement. This, of course, is not a question which is of particular concern to any one section of the country; hog production is pretty well scattered over the entire dominion. However, it is of some extra significance to those of us in western Canada in the light of the fact that we have great quantities of feed grain in the west which we can dispose of to our advantage through feeding that grain to hogs. Sometimes when we look at the price of pork it appears on the surface that the possibilities of obtaining a profit are remote, but when we look at the price in relation to the price of barley and the difficulty of getting rid of barley and other feed grain then the question of hog production begins to take on a completely different complexion.

I think we are all interested in seeing that prices for hogs are maintained at the highest possible level because of the fact, as I mentioned a moment ago, that we can get rid of thousands of bushels of feed grain by feeding it to hogs.

In 1946 we had a tremendous export market for hogs. In fact, I think we exported to Great Britain alone some 694 million pounds of pork in round figures. However, since that time our export markets have fallen off

sharply; as a matter of fact, we are not exporting any pork to Great Britain at the moment.

In 1951 hog marketing in Canada amounted to $251 million; in 1952 it amounted to $263 million and in 1953 it amounted to $238 million, a small drop in the returns for that year.

During the years 1951 and 1952 the hog-barley ratio—and that is something I shall mention a little later on—was quite favourable toward the production of hogs. The hog-barley ratio is something that has been developed over the years and it has become a sort of yardstick by which hog producers can ascertain with some degree of accuracy what the chances are of their realizing a profit out of feeding feed grains, especially barley, to pigs.

The hog-barley ratio is the number of bushels of No. 1 feed barley that equals 100 pounds of grade B1 pork plus the premium and over the years it has become an established principle. In these two years 1951 and 1952 the hog-barley ratio was such that there were fair prospects that the farmers could make a profit. In this regard I should like to mention that the hog-barley ratio is also used in the maritimes and other places in Canada to calculate the prospects of making a profit out of hog production.

On this point I should also like to mention a matter raised by the hon. member for Westmorland who yesterday continually reminded us of the fact that the taxpayers of Canada were subsidizing the western farmers in respect to the storage bill with which we were dealing. In this connection I would point out that we in western Canada have shipped $234 million worth of grain to the maritimes and to eastern Canada all of which received a freight subsidy paid for by the taxpayers of Canada. I believe that is a good principle and I hope it continues. I was sorry last year when the minister cut his appropriation in that regard. This is one of the things which eastern members possibly overlook.

Early in 1953 the government reduced the floor price on hogs across Canada to $23, 100 pounds for grade A hogs f.o.b. Toronto and Montreal. I feel if we are going to have a support price and if that support price is to mean anything, then this drop to $23 from the original $26, which it was prior to 1953, was completely unjustified if we are going to live up to the spirit and the letter of the act as laid down in 1944. I refer, of course, to the Agricultural Prices Support Act.

We must remember that in 1953 barley was worth $1.22 a bushel and the long-term average for the hog-barley ratio is 18 bushels. In other words, it took 18 bushels of No. 1 feed barley to equal in value 100 pounds of B1 pork. With a little calculation you can see it would have taken $29.77 worth of barley to equal 100 pounds of B1 pork at that time. Nevertheless in the face of that the government thought it necessary to drop the support price from $26 to $23 and I say it was completely unjustified if they are going to live up to the letter of the regulations in the Agricultural Prices Support Act. I am going to refer to that a little later on in order to elaborate and expand this point.

The question now arises, why did the government drop the price from $26 to $23? Obviously there must have been some reason; at least we must assume there was a reason.

In the November issue of the *Current Review*, which is a publication of the economic division of the Department of Agriculture, the minister's own department, we find that in 1955 the price of hogs dropped disastrously. As a matter of fact, some of the figures I have, indicate that pork dropped $7.77 from June 1 up until a month or two ago.

In this review which I have mentioned and which was sent out by the minister's department, we find that in 1955 there were 18 per cent more hogs on farms in Canada than there were in 1954. In the province from which I come there were 32 per cent more hogs than in 1954. Immediately it will be said that much of the reason for the drastic drop which I mentioned in hog prices was because of that increase, but if we look further into the review which I mentioned a moment ago we find that that is not exactly the case.

We find that the total disappearance of meat in Canada in 1955 amounted to something over 119 million pounds more than in the year before. It is interesting to note that of the 119 million pounds of meat which disappeared in 1955, 86 per cent was pork or 102,568,000 pounds. The total estimated pork production in 1955 according to their calculations was about 105 million pounds more than in 1954. Taking into account exports in 1955, which were in the neighbourhood of 4,500,000 pounds, we find that Canada ended up with about the same pork stock in 1955 as she had in 1954.

As I pointed out earlier, the figures for 1955 in connection with production disappearance, etc., were the same as in 1954, but the price at Winnipeg averaged $29 a hundred pounds for grade A in 1954. However, in 1955 the price steadily declined from $29 to $20 or less.

Here we see a completely unwarranted dislocation of pork prices because of the government's refusal, first to introduce a national

livestock marketing act, or in the event that they could not see their way clear to do that to implement the provisions of the floor price legislation which was passed in 1944. The same thing can be said of other agricultural products, but I am not going to deal with those at the moment.

The minister will say, as he has said in this house, that we have a floor price under hogs. A great many other people are saying that. There is not a farmer in my part of the country, and I doubt if there is a farmer in the whole of western Canada, who does not believe that this government has established a floor price under pork. It is for that reason that I have brought this discussion before parliament today. I should like the minister to make some definite clarification, something he has not done in the past to my knowledge, to show just what the case is in respect to floor prices.

To justify my statement that people by and large believe that there is a floor price I should like to indicate what was stated at the dominion-provincial agricultural conference held in Ottawa on December 5, 6 and 7 last. Representatives of the ten provinces were present and it was stated that those ten agricultural representatives had argued that it was necessary to continue support prices for butter, eggs and hogs and the freight assistance on feed grain. Even those ten representatives of the provinces believed that there is a floor price under hogs. I question that very much and I hope the minister will clarify his position before this debate is over. If there is a floor price, why was it, in the face of the evidence which I produced a moment ago, that the price of $26 should have dropped to $23 when there was absolutely no justification for that drop?

The minister will say, as he said on one or two occasions just lately, that until the provinces enter into marketing agreements and set up marketing boards the hands of this government are tied in respect to floor prices. I wonder to what legislation the minister was referring when he said that the federal government will give assistance to the provinces when and if they set up marketing legislation.

I wonder if he was referring to the Agricultural Products Co-operative Marketing Act. Apparently he was, because of what he said in Saskatoon on April 24 when he was speaking to the members of the farmers' union. They had been giving a great deal of consideration to establishing a marketing board out there and the minister went out to give them some advice and answer a few questions. He outlined what the present federal legislation provided for if a marketing board was set up under provincial law. The report of this meeting continues:

> The co-operative marketing act of 1939 allowed the federal government to enter an agreement with a producer marketing board, whereby the government could guarantee up to 80 per cent of the average price over the preceding three years as an initial payment to the producer.
>
> However, Mr. Gardiner made it clear this was not a support price, and that the federal government would not wish to enter an agreement of this type whereby it would be continually subsidizing the producer.

Then the minister went on to say that the federal government did not have legislative power to set prices for producers. I challenge that statement. If the minister was indicating that if a province went ahead with a livestock marketing scheme the federal government under the Agricultural Products Co-operative Marketing Act, would come into the picture and that that would have some stabilizing influence on the price of hogs, then I have completely misinterpreted the act itself.

The Agricultural Products Co-operative Marketing Act does not set floor prices. They only assume some responsibility; they give some assurance that if the price of a product falls below the average wholesale price for the past three years the government will come to the assistance of that organization to a maximum of 80 per cent. In the past that has been scaled down on a sliding basis and in reality it has been more like 60 per cent and I understand that at times less than 25 per cent. Therefore I suggest that no province is going to benefit from this legislation and to say that it will is a pretty nonsensical statement. I should like the minister to state if this is the act he had in mind when he said the other day that the federal government would assist the provinces if they set up marketing schemes. I hope he will make that clear today.

Then I wonder if the minister is referring to the Agricultural Prices Support Act which was introduced in 1944. There is nothing in the estimates this year to indicate that any money is going to be paid out under that act. I should like to see something in that respect. In the first instance this act was conjured up by the government during the war with the idea of giving some support to agricultural products. The government was given complete power to introduce such legislation during the transition period from war to peace. As has been quoted here on many occasions, Mr. King, the prime minister at that time, said:

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

As an essential part of its post-war policy, the government intends to ask parliament at the next session, to place a floor under the prices of the main farm commodities.

The first method of support provided in the act is the power to buy any designated agricultural product at a defined price. A second method of supporting prices is also provided for in the act and involves the determination of a price which is regarded as fair for a particular product for a particular period of time. Under the act how are they going to ascertain what is a fair price? I think this is the nub of the whole situation. The act has this to say in that regard:

. . . in prescribing prices . . . the board shall endeavour to ensure adequate and stable returns for agriculture by promoting orderly adjustment from war to peace conditions and shall endeavour to secure a fair relationship between the returns from agriculture and those from other occupations.

It would seem that the government has completely evaded its responsibility in this respect because every time that the price of hogs starts to approach the floor the floor is immediately dropped. We have seen that happen and we may see it happen again. I hope we do not. I hope the government is going to make some attempt at least to maintain some semblance of a floor under hogs throughout the country. I should like to see it go a little further than that. I should like to see the act really have some teeth in it.

There was a discussion in the house the other day regarding this very question, and I have yet to hear the minister make a clear and forthright statement as to just what the situation is. It seems to me there is a great deal of confusion in the mind of the minister and also in the minds of producers.

Mr. Studer: In the minds of the socialists.

Mr. Bryson: I am very glad to see that the hon. member—

Mr. Studer: The only place where there is confusion is in the minds of the socialists.

Mr. Bryson: —for Swift Current-Maple Creek has at last got over the terrific case of laryngitis he has had for the last two or three days—

Mr. Studer: I do not make socialist speeches.

Mr. Bryson: —during the debate on wheat. On January 31 it was brought to the attention of the minister that hog producers were receiving less than the floor price and at that time the minister said, as found at page 708 of *Hansard*:

In any case where the matter is brought to the attention of the Department of Agriculture the officials see to it that the proper price is paid and, of course, the farmer will not settle until he gets his premium and all the rest of it. That is all checked. The proper procedure is for the farmer or anyone receiving the certificate from the farmer to immediately send it to the prices board.

I am wondering how many farmers know that. Why is it that the farmers are continually receiving less than the floor price? I am still getting these receipts and they are from different companies, Canada Packers, Intercontinental Packers, Burns and others. Why is it that the farmers are not made acquainted with this regulation? It looks to me as if the floor price is being maintained because of some tacit understanding between the government and the packers. I have never seen instructions posted anywhere advising producers that they have this recourse.

Mr. Trainor: You advise them.

Mr. Studer: Why do the socialists not go into the packing business?

Mr. Bryson: Of course we know that the minister was quite concerned about it. This is not the first time it has happened. It happened in 1953 when the floor was dropped from 26 to 23 cents. I hope the minister will make a clear and forthright statement today as to just what the condition of affairs is with relation to the floor price, because I know that not one farmer in western Canada realizes there is any such machinery set up whereby he can be recompensed for the difference between what he receives and the so-called floor price.

Mr. Gardiner: If my hon. friend will permit me, when he says there is not a farmer in western Canada who knows what the condition is he is saying there is not a farmer in the pool organization of western Canada because the pool has all the information and they are in a position to inform individuals as to how to proceed.

Mr. Bryson: I am still not satisfied.

Mr. Gardiner: You never will be.

Mr. Bryson: In reply to a question by the hon. member for Yorkton the minister said, as found at page 790 of *Hansard*:

The floor price is made available at the stockyard. Any person delivering hogs in Saskatchewan can get the floor price at the stockyard and there is no excuse for anyone not getting it provided he takes the hogs there.

This again I cannot understand.

Mr. Studer: Where do you take your hogs?

Mr. Bryson: I have delivered quite a lot of hogs in my time.

Mr. Studer: Where do you take them now?

Mr. Bryson: I take them where 90 per cent of the farmers take them, to the local stockyard. I unload them there and I do not go to Winnipeg. I do not know what

the grade is going to be until they are hung up on the rail and the government grader grades the hogs.

Mr. Studer: Is that a pool stockyard?

Mr. Bryson: I should like to know what instructions the farmer has ever received that he can get the difference between the $18.75 as found on this slip I have—

Mr. Gardiner: If, instead of getting up here, you will ask every farmer to be sure to go to the pool organization at the stockyard in Melfort they will tell him what the situation is.

Mr. Bryson: Why should they send these slips to members of parliament if there is provision made for them to get the money through the regular channels? I cannot see any reason.

Mr. Gardiner: I can give you some reasons but I will not insult you by doing so.

Mr. Bryson: In any case, I think it has to be admitted that there is a great deal of confusion and I still wish the minister would explain to me how he can get up in the house and say there is a floor price when the price of hogs starts to go down below the floor. He does not maintain the floor price. He drops the floor, as he has done on one or two other occasions. In my opinion we are in exactly the same position today as we were 20 years ago so far as the orderly marketing of hogs, cattle—

Mr. Studer: You are in the dark.

Mr. Bryson: —or any other livestock product is concerned. Until the government is prepared to introduce an over-all national livestock policy I do not see how we are going to get anything different from what we have today. A certain pattern has been followed for a great many years. It is the same old pattern and the losses and hardship suffered by the prairie farmer because of price instability are impossible to calculate. We know that they are great. Long-term production planning is impossible. It is not even practical to contemplate it in the face of price instability. When prices are low—this is the pattern we have seen over the years—breeding stock becomes scarce and the market appears to be rather favourable from the point of view of farmers going into the livestock industry, and that is exactly what they do. By absorbing stock from the market for breeding purposes the market is further depleted. Then we begin to see an increase in the price of livestock. Prices start to go up.

Instead of buying at high prices the packer takes advantages of the low prices and fills his lockers full of meat. His storage capacity is filled. When the farmer has completed his breeding program and starts to put his product on the market the packer will not buy it because in the meantime the price has started to rise. The packer uses the products he has stored in his plant during the period of low prices. That is the situation we face. The same cycle of events has taken place for the last 20 years. The farmer cannot hold back his product because it is perishable. He has to put it on the market, but the packer will not buy it because he does not have to buy it. He has plenty of meat in his locker.

Then we have the inefficient producer who went into the livestock business in the hope of high profits, and because of the price situation he cannot maintain his herd now that prices are falling. He has got to sell it, lock, stock and barrel. This further depresses prices to the point where the efficient producer is no longer able to carry on. These are the problems that we must face up to. Nothing that I have heard the minister say and in nothing that I have read in any of the acts that have been passed by this government do I find anything that will solve the problem. There is only one solution and it is this. We must have in this country an agricultural prices support policy on a national basis. Therefore, Mr. Chairman, before this debate is over I hope the minister will get to his feet once again and see whether he can give us a clear and forthright statement as to what constitute the support prices about which we hear so much.

Mr. Studer: You would not understand it anyway.

Mr. Blackmore: Mr. Chairman, I believe that all hon. members enjoyed the minister's opening statement. Ever since I came to the house 20 years ago it has been a matter of astonishment to me how enthusiastic the minister always is over what he has to tell.

Mr. Studer: He has something to boast about.

Mr. Blackmore: He becomes so completely optimistic that he convinces himself. In my particular area I do not find much justification for the glowing statement which the minister made pertaining to agriculture. However, it is not my purpose to undertake to find any particular fault with the minister's statement.

I wish to raise four matters which I believe the Canadian producers ought to face up to without much more delay. Many hon. members have brought to the attention of the house this year already the fact that

there are vast numbers of people in the world who are not able to get the necessities of life. Some people say that one-half of the world's population is going to bed hungry every night.

Mr. Studer: Tell us a new one.

Mr. Blackmore: I am not saying that is true. I said that some people have said that. Will the hon. member question that statement? Mr. Chairman, we seem to have two or three members over yonder who are bubbling over with some sort of effervescence.

Mr. Studer: We should like to hear something new.

Mr. Blackmore: When I get through there is going to be plenty of time for the hon. member to get to his feet and talk.

Mr. Johnson (Kindersley): He is afraid to do so. He would show his stupidity.

Mr. Blackmore: What we are going to do as a nation in respect of this hunger is something concerning which I think we really should form some notion before it becomes too late. Either we are going to endeavour as a nation to participate in a movement to help to solve the problem of hunger among the peoples of less favoured lands or we are going to endeavour to live entirely to ourselves in the main and to limit our production to what we ourselves are able to consume.

Mr. Studer: How much are you producing?

Mr. Blackmore: As matters stand at the present time we are just about half-way between the two general attitudes. We talk about FAO and international distribution but we never do anything about it.

Mr. Studer: You cannot eat words.

Mr. Blackmore: Mr. Chairman, I wonder whether I should sit down and let the hon. member have the floor?

Mr. Studer: That is a good idea.

The Chairman: Order.

Mr. Blackmore: Would the hon. member like the floor to himself?

Mr. Studer: Do something because you cannot eat words.

Mr. Blackmore: Would the hon. member like the floor to himself?

Mr. Studer: Talk sense and we will listen.

Mr. Blackmore: Would the hon. member like the floor? Some people are a standing reflection on the constituencies that send them here.

Mr. Studer: They produce more than words.

Mr. Weir: There is one man standing now.

Mr. Blackmore: My general feeling is that since hunger in the world is one of the major causes for unrest which can easily contribute to a state of world disorder that might sweep civilization off its feet, we should be contemplating the means whereby we can help in solving the problem of hunger among the underprivileged. If we are going to do that in any organized sort of way, I submit there are four main considerations which we ought to have before us in this session of parliament and from now on until we find a solution.

In the first place, we should give a great deal of study to storage. In due time I should like to ask the minister a number of questions with regard to his policy with respect to storage. Then we should consider orderly production. The hon. member who has just taken his seat has pointed out how difficult it is for anyone who desires to go into the hog producing business to know what to do. It seems that the prices stay up for a little while until men go into the production of hogs, and then they go down, resulting in tremendous loss to those who have invested in the hog producing business. Then they go up again and then they go down again. Several years ago we had a fall in prices which caused a tremendous amount of loss to the people in my area. I do not see any reason why we should not devise some means whereby all our producing could be on an orderly basis and not nearly so much a haphazard concern as it has been hitherto.

Then the matter of fertilizers is one which I think should be given the utmost attention. If we propose to pass this nation on to our descendants in anything like the condition of productivity which prevailed in the nation when we took over, we should give most careful attention to how to maintain the fertility of the soil. Then I think it is time that we knew something of the minister's ideas with respect to marketing abroad. I will give the minister credit for being the only member of the cabinet up to the present time whom I have heard say anything that indicated he was aware that there was need for devising means whereby to market abroad. I believe it was in 1952 that he made a statement something like this: If we cannot learn how to get our goods into the hands of those who need them, there must be something wrong with our ideas. I wish the minister had felt free to elaborate on the concept which he had in his mind when he made that statement because I am certain that the inability or the failure to get our goods into the hands of those who need them constitutes an evidence that the whole nation of us is lacking in ideas.

I should now like to give just a little bit of attention to each of those four general topics I have mentioned. We need to know what the minister is doing in respect of storage facilities. I have been greatly interested in the wheat problem as I believe have all members of the house. I have held that, in order to deal adequately with the wheat problem in a long-range manner, we ought to have storage on the farm so that the government could advance payments on grain stored on the farm. That storage ought to be such that the government could approve it. I should like it very much if the minister, not particularly now but when the time comes, will give the house a statement concerning the discoveries which his department has made in respect of storage facilities. We would like to know what is the best kind of storage facilities to put on the farm. Is it the quonset bin or what kind is it? What has the minister's department learned? What is it prepared to recommend? What would be the cost of erecting farm storage facilities capable of storing say 5,000 bushels of wheat?

Then, what has been done in respect of storing other kinds of food? Has the minister's department given consideration to the possibility of storing honey, for example, on the farm? Has the department considered storing dried beans, peas, corn and the like? If it has given attention to these things, what have been the findings? I find myself somewhat at a loss to appreciate the fact that we talk so glibly about the possibility of nuclear war; we spend a lot of time and money devising how to defend ourselves in a civic way, and yet we have given no public indication that we have any kind of plan for the important matter of having some food stored so that in case of a nuclear war there would be food available for those of us who happened to survive. That is why I mentioned storing such things as honey, sugar, beans, peas, corn and other things that could be stored.

I should like to know to what extent we have progressed in the dehydration of food, the dehydration of milk, eggs and various other kinds of food to make them suitable for storage in that form. I should like to know what progress has been made so that we might possibly devise some sort of policy in this respect. Now, the next aspect of the storage question is, have we planned any kind of overall storage program? If not, then I must say that certainly the government is failing to meet the responsibilities which the situation forces upon any government in any democratic country in the world today.

I turn now to the matter of production. We have a commission which is studying the matter of the potential of Canada's resources. I wonder if the government has had a survey made of the whole of Canada to determine the productive capacity of the country, and where that capacity is particularly located? By way of illustrating what I have in mind, I might point out that in my particular area from High River south to the border of Alberta, we can produce more sugar from beets than could be used by the whole of Canada every year. We now have three splendid sugar factories in operation, but we have a tremendous potential for the production of sugar beets. Probably there are other areas in Canada, since I have mentioned sugar, in which sugar could be produced. Has the Department of Agriculture gone over the ground, so to speak, to find out how much sugar we can produce in Canada in case we found we needed to produce sugar?

Now, having learned the capacity we have, what can be said concerning the actual production in Canada? Of course, that is very well known. I wonder if the information has all been brought together so it can be read in a comprehensive detailed report? I wonder whether or not the federal government, working in co-operation with the provincial governments, takes pains to plan the production of Canada in a general way? If I might illustrate, I would say it would help very much if we in Alberta knew about how many hogs it would be in the best interests of Canada for us to produce; how much sugar; how many potatoes, and probably how much of every one of the major agricultural products. If we knew fairly well how much would likely be expected of us, and each province knew this, then we would have a target before us to aim at, namely the production of that amount of goods. I believe it would save us from a good many costly experiences which arise because of our producers going at the problem in a haphazard fashion.

I am told that in one of the constituencies in Ontario they produced a very fine crop of Bartlett pears, grapes and an equally fine crop of peaches last year. When the time came to harvest those commodities it was found that those fruits could not be sold. I am told that they heaped up the peaches in piles and paid men to stand and watch those peaches spoil. People were forbidden to eat one of the peaches. The same sort of thing happened to the pears and the grapes. It seems to me that there was a colossal waste there of the agricultural potential of that particular area in Ontario. I feel we could avoid a great deal of that kind of waste if we planned more carefully, both the dominion and the provinces.

I should like to know to what extent the minister and his department have canvassed this aspect of our production. The next question would be the matter of economic guidance. It may be found that it would not be economical to have one province produce a certain kind of product when that product perhaps could be produced much more economically in some other province. If there were some guidance given through the district representative of the Department of Agriculture, under the direction of the provincial government, I believe we could use this great asset called Canada to far better advantage than we are now using it.

The next important matter is that of protecting home producers. The things that have been said by certain members since this session began concerning what has been happening in respect of potatoes indicates we are still very far from attaining anything like the ideal with regard to protecting our potato producers, particularly those in British Columbia and the maritime provinces. I think that, in so far as such measures are possible, they ought to be taken to avoid disappointment and losses of that kind.

I turn from this aspect of the picture to that of fertilizer. I should like the minister to be ready to tell us when the time comes what progress has been made by his science organization in the perfecting of fertilizers, ones for the replacement of each and every one of the different kinds of soil nutrients; how successful they are, and so on.

Then, I would like to have him tell us what measures have been taken in an orderly sort of way by his department to have factories established for the production of such fertilizer; whether there is any understanding between the government and those engaged in such manufacture to see to it that the manufacture and the marketing of fertilizer are accomplished in the most economical fashion, so that those who need the fertilizer to restore the fertility of their soil will be able to obtain it at the most economical price.

Then I would like to have him tell us just what are the costs of the various kinds of fertilizers in the various provinces of Canada.

I pass now from that question to marketing abroad particularly. I wonder first of all how co-operation is effected between the Department of Agriculture and the Department of Trade and Commerce with respect to marketing abroad. Is there an understanding, is there co-operation between those two departments, or does each one of them more or less carry on in an independent way by itself? I think we ought to know about this. I should like to know just what progress has been made with respect to the FAO and the creation of a world food bank, or food organization.

I should like to know what the holdups have been. As I have gathered from the press, the Minister of Agriculture has been to a very large percentage of the meetings of FAO and of international distribution of food. I am sure the members of the committee and the people of the country would like to know what has been done about establishing an international food bank, and what has been the hurdle in the way of accomplishing the setting up of such a food bank. What is the matter? Is it lack of money? Certainly it is not lack of food. If it is lack of money, why was that hurdle not foreseen when the United Nations and all the people who are behind the United Nations and other international organizations were doing so much talking about setting up a food bank? Why did they not foresee this difficulty and make some provision for solving the problem? If they did make some provision, what was their provision, and how comes it about that today, ten years after the enthusiastic talk about international distribution, we are apparently just as far from it as we ever were in the history of the world?

I think the minister will tell us that the difficulty is a financial one. We in Canada do not feel that we can give our wheat, our oats, our barley, our rye, our sugar and all the other things that we can produce. We cannot distribute those to an international food bank until we can get money from the food bank to pay for those commodities. Well, where is the food bank going to get the money with which to pay it?

Mr. Studer: From social credit.

Mr. Blackmore: Social credit is right. You said something that is correct, but I have not noticed the hon. member for Swift Current-Maple Creek advocating social credit.

Mr. Studer: Send your missionaries over there.

Mr. Blackmore: What we want to know is whether or not there is any financial provision in the minds of the Canadian leaders, or of the leaders of any of the other free nations, whether there is any idea in their minds as to how this problem can be solved. If there is not, and they are all agreed that it is impossible to set up an international food bank, then let us stop talking about it and settle down to the idea that we simply must live to ourselves, and the hundreds of millions of luckless people who happen to be living in areas in which they are unable to produce the things that they want, or that the United States wants, or that any one of the free

nations wants, will just have to die of hunger unless they can do something to solve the problem in their own countries.

I have not endeavoured to go into any particular detail in respect of those four problems, but I submit, Mr. Chairman, that the Minister of Agriculture ought to go into each of these matters with a great deal of care. He should call together his experts and be ready to tell us at the appropriate time all that he has available for the use of the country in respect of storage and production in an orderly way in Canada, and fertilizers and marketing. In due time we shall ask him to give us the information which he has accumulated in respect of these matters.

Mr. McIvor: Mr. Chairman, I have not been a farmer lately; but as I sat in this house and listened to the farmer members from Saskatchewan, Alberta and Manitoba, and even from Brant-Haldimand, I felt sorry for the plight the farmers of Canada found themselves in. I did see considerable hope in the fact that they are not in as bad a position today as they were 30 years ago. My proof of that is the statement made by the Minister of Agriculture today that the growth was steady. I think I am guilty of speaking on what I know, and I am looking to find out the X, or what I do not know.

There are a good many farmers in the Fort William district, Mr. Chairman, 50 miles south and 125 miles west. We have had the champion potato grower of all of Canada in our district. Therefore, I say we do not need to take second place to any place, not even to Saskatchewan, for good farmers. I have respect for our farmers. They are intelligent; they are faithful workers and they do not spend all their time on the highways burning up gas. I know the farmers in our district have to pay a considerable amount in income tax, which shows that they have something left to live on.

We have two men in our district who do a great deal to help our farmers. One represents the government of Ontario, and he is a good man even though that government is Conservative. He goes everywhere. He keeps the farmers posted with up-to-date information; he helps them in a good many ways, and the farming in the district is greatly helped and production is greatly improved because of his services. The other man is the federal man, Mr. Knight, who has charge of the agricultural substation. He is just like his fellow worker. They work hand in hand, co-operating thoroughly. The farmers around Fort William are doing a splendid job. They have a potato club. They set a mark of 500 bushels to the acre. Hon. members will be surprised to know how many men go over 500 bushels. I knew one man who had 773 bushels to the acre. They have an oat club. Competition amongst the farmers is very keen.

It is a great pleasure to go out in the country in the summertime and meet the farmers at a baseball game. It is very fine to go out in the winter, too, and see their hockey clubs in competition among themselves, which shows that the young people on the farm are enjoying themselves.

I rose to ask the minister a question. I congratulate the hon. member for Lethbridge on the number of questions he asked. The more questions that he asks the Minister of Agriculture the better the minister will like it and the more information the hon. member will get.

Somebody from Saskatchewan said that the farmers of Saskatchewan paid more income tax than all the other farmers in Canada. I am not sure whether I am right in saying that, but if my impression is correct I can tell you, judging from the farmers around Fort William, that the farmers in Saskatchewan are not so terribly hard up.

I am going to ask the minister to comment on that situation. If a man can pay income tax he certainly has something left to live on.

I congratulate the minister on the statement he made today. I was going to make some criticism of certain aspects of it but I would only make myself look foolish in the face of the statement the minister made today which was straightforward, clear cut and according to the facts. Thank you for your patience.

Mr. Thatcher: This morning the Minister of Agriculture devoted a good portion of his time to dealing with the Canadian butter situation. I should like to comment on that policy again, as I have done on previous occasions.

I think the minister can take pride in the fact that most parties in the house appear to approve of his butter policy. Certainly the hon. member for Brant-Haldimand expressed approval this afternoon; members of the C.C.F. group agree with it, and I think with certain modifications the Social Credit group also is in accord. However, although I realize that very few hon. members agree with me—

An hon. Member: Hurray.

Mr. Thatcher: —I think the government's butter policy is shortsighted and economically unwise. As the house knows, it is, in the first place, costing the taxpayer directly a good deal of money. I believe the minister

said this morning the figure would probably come to about $8 million during the current year. Of course, that figure is only part of the picture because indirectly, by holding the ceiling price higher than it otherwise would be, the policy is costing the average Canadian a good deal more than that amount. Even if the differential was only five cents a pound, let us say, on the production figure of 1954 which was 334 million pounds, the cost to the consumer would be $16,700,000 and if the differential was ten cents it would be twice that amount. Of course the exact sum can only be a matter of conjecture but it would be substantial.

I would not object to this subsidy in any way, Mr. Chairman, if I was convinced that it was helping the butter producer. But I am convinced it is not, for a number of reasons. The minister said this morning that we have no troublesome surpluses so far as butter is concerned. I find it difficult to understand how he could come to such a conclusion. Every time the dominion bureau of statistics releases figures on butter in storage, the total seems to be higher than it was for the same comparable period a year ago.

On January 1, 1956, our butter surplus was over 100 million pounds. Butter spoils fairly easily so I think there is danger that we may be in trouble before too long if we do not take some kind of action.

Mr. Gardiner: If I might interrupt the hon. member, I should like to clarify a point. I am sure that my hon. friend used the term unintentionally but he said our butter surplus on January 1 was 100 million pounds. The amount of butter in storage was 100 million pounds and that is not all a surplus.

Mr. Thatcher: That is a fair correction and I accept it. The amount of butter in storage is over 100 million pounds. As I say, I know the minister has been concerned about this problem and he has taken three steps in the past several years to deal with it.

In the first place, last February he brought in legislation whereby hospitals and orphanages could buy butter at a discount of 21 cents a pound. Today it is rather obvious that the legislation was not successful. This morning the minister said, if I understood him correctly, that while it cost the taxpayer about one and a half million dollars to give the institutions the discounted price, they did not use very much if any extra butter because of the reduced price. If such is the case, if the experiment is not helping the producer of butter, it seems to me that the government surely should consider discontinuing that policy.

An hon. Member: In Saskatchewan the government prefers margarine.

Mr. Thatcher: You could have a point there, too, I do not know. The second step the minister has taken to dispose of the butter surplus is to sell it to countries behind the iron curtain. I think he mentioned this morning that the amount of recent sales was about nine and one-quarter million pounds. I cannot help feeling there is something ludicrous about a policy that sells butter to the Canadian housewife at about 64 cents a pound retail and sells it to a communist housewife for 37 or 38 cents a pound.

Mr. Gardiner: If I may just correct the hon. member's statement again, sir, I would say it is just an impression that has been created. By the time the butter reaches Germany it sells at approximately the same price for which it sells here. When all the costs are added the housewife there pays about the same for butter as the Canadian housewife.

An hon. Member: You know these retailers!

Mr. Thatcher: The fact is we are selling it to countries behind the iron curtain at 37 cents per pound, as I understand it.

The third step the government has taken is to commence paying the charges for handling butter in storage. I believe the cost of this action will amount to about three cents a pound, which the taxpayer will be called upon to absorb. It does, in turn of course, mean a saving to the consumer. In spite of these three steps our surpluses of butter have been steadily increasing and it is pretty obvious that sooner or later we will have to take some other kind of action.

I think and I may be alone in so thinking, that our trouble is that the government floor price is placed at a level which is unrealistic. It is too high for the good of the consumer and it is too high for the good of the taxpayer. I think it is also too high for the long term interests of the producer.

I realize that originally this legislation was brought in by the government in good faith, and in an effort to help the dairy industry. But I also contend that the legislation is actually having the opposite effect. High butter prices today are doing little more than driving the consumer into the hands of the manufacturers of margarine. The net effect of the government's policy has been to force hundreds of thousands of Canadians, who otherwise might be eating butter, into eating margarine and other substitutes because the price is cheaper. Strangely enough, Mr. Chairman, I think it is Mr. Duplessis and the Quebec government who are actually saving the government's butter policy at all. The fact that he put a ban on margarine several

years ago has prevented the surplus from getting out of hand altogether.

Mr. Gauthier (Portneuf): What about the spreads we have in Quebec?

An hon. Member: You are really spread at times.

Mr. Gauthier (Portneuf): They call it butter spread; they do not call it margarine.

Mr. Knowles: You mean price spreads.

Mr. Thatcher: I maintain that the artificial floor price on butter is not doing the job for which it was designed. I think I have support from certain people in the dairy industry. For instance the president of the national dairy council of Canada, Grant M. Carlyle, seems to share my views.

Mr. Argue: Is he a farmer?

Mr. Thatcher: Speaking at the dairy council's annual meeting in Toronto a few months ago, Mr. Carlyle had this to say:

> Holding prices of dairy products at an artificially high level to the consumer involves a conflict of aims which can only be harmful to the dairy industry in the long run.

He warned. Again I quote:

> Holding an umbrella over the heads of producers at the expense of the dairy business by curtailing markets in Canada was poor business.

He went on to say:

> These are the only markets on which we can rely with a degree of certainty and they ought not to be sacrificed by a policy intended to benefit dairy farmers, but which works against their long-term interests.

Mr. McCullough (Moose Mountain): Does the hon. member realize that the man he is quoting is not a farmer?

Mr. Thatcher: I said a moment ago that he was president of the national dairy council, and I assume he is a man of some importance in the industry.

The export market for Canadian butter has long since disappeared because our price was about one-third higher than the world price. It is true that if we want to subsidize butter, we can get into the export market, but it can be done only in that way.

It seems to me that both the government and the dairy industry must face certain harsh economic facts. If our producers want to regain their share of the domestic market, if they wish to get back some of the market which has been lost to margarine, they will have to accept a floor price at least a few cents lower than the present level.

Speaking to the annual meeting of the Canadian dairy council, Madame H. E. Vautelet of Montreal, president of the Canadian association of consumers, warned them of this fact, and pointed out that consumer resistance was building up to high butter prices. In my opinion the most effective way in which the government can deal with our mounting surpluses, outside of banning margarine, is to reduce the floor price by 4 or 5 cents so that butter will be brought to a point where it will be competitive with margarine.

Mr. Dinsdale: Mr. Chairman, a few moments ago the house had the privilege of listening to the hon. member for Fort William making a contribution to this discussion and in it he referred to the member for Brandon-Souris as one of those who joined in the cry of havoc so far as the western prairie farmer was concerned. I make reference to the hon. member's remarks because in any statement I have made in this house concerning our prairie agricultural problems as they exist at the present time I have always taken extreme care not to be unrealistic in drawing the attention of the Department of Agriculture to the matter. In fact I have always stressed that Manitoba is in a slightly different category than Saskatchewan, for example. In commencing my remarks this afternoon I should like to say that if the record is read I do not think it will show that I have indulged at any time in irresponsible criticism of our agricultural policies as they exist today.

I listened this morning to the Minister of Agriculture as he made his state of the union address so far as agriculture is concerned. I must confess that from time to time as the minister addresses hon. members his oratorical ability seems to have a somewhat soporific effect upon his listeners and it would seem that the hon. member for Fort William has been a very apt pupil in this regard.

I enter the discussion this afternoon because I fail to grasp the significance of the minister's new category of real income. Perhaps he will clarify this point before we finish the discussion on this first item.

According to the category set up by the minister on the basis of real income the farmers are enjoying a relative degree of prosperity at the present time. That is entirely at variance with the representations I have had from agricultural groups such as the Manitoba federation, the Manitoba farmers' union, as well as from individuals. They all stress, I think with a great deal of responsibility, that in proportion to the total productive level of the Canadian economy our prairie farmers are in a relatively depressed condition. Notwithstanding that fact the Minister of Agriculture endeavoured this morning to suggest that the farmers do not know what they are talking about.

It is true, and we often hear this theme re-echoed from the other side, that the Canadian economy as a whole has enjoyed an unprecedented level of prosperity since the end of world war II, in fact since the concluding years of world war II. That was due to the obviously favourable geographic position of Canada in relation to the war-torn countries and to the backlog of consumer demand which had accumulated during world war II. It was due also to the fact that the economy of our neighbour to the south had changed radically. She had exhausted to a large extent her primary resources and had begun to call upon Canada to an increasing extent for the replacement of those primary resources. As a result Canada was drawn into an economic vortex which led to a continuing level of prosperity.

Considering the minister's remarks, there is one point that needs to be made in connection with the level of prosperity of our farm economy. I am including not only our prairie agricultural economy but the farm economy right across Canada. I am sure that Ontario farmers as well as those from the maritimes will be able to speak for themselves in this regard. The total farm economy has been placed in a position of declining prosperity as a result of the fundamental changes which have taken place in the Canadian as well as the entire North American economy.

I do not think that anyone, either by statistics or by any amount of verbosity, can demonstrate successfully that our Canadian agricultural economy is in a prosperous state at the present time. In recent days we have been discussing some particular aspects of the problems on the prairies. In particular we have been dealing with the difficulties encountered in connection with the marketing of our surplus grain. The Manitoba federation of agriculture has pointed out repeatedly in its representations to Manitoba members of parliament that there has been a severe relative decline in the net income of Manitoba farmers.

The figures have been given many times but it would seem that they need repetition. By 1954 net Canadian farm income had dropped 47 per cent compared with 1951, and in the prairie provinces the decline amounted to 67 per cent. Admittedly that is due to the fact that a large part of the wheat has not yet been marketed, and I would conclude from the remarks made by the Minister of Agriculture that in his new economic category of real income he includes total grain production, that is, grain still in the hands of the farmers as well as the grain already marketed through the wheat board in order to arrive at the figure he refers to as the real income. If such is the case, such a calculation is completely out of touch with reality.

It has been suggested by the hon. member for Fort William that western farmers are always at the wailing wall crying over their sorry state of affairs. That again is not an accurate description of the situation, and in that regard I would emphasize particularly the position of our Manitoba farmers. We in Manitoba have gone a long way towards self-help. We have diversified more extensively, I suppose, than either of the other two prairie provinces. We have, for example, constantly decreased our total production of wheat. Last year total marketings of wheat from Manitoba sources were only 9·4 per cent of total prairie wheat marketings. Therefore it is obvious from that figure that wheat production in Manitoba is not making any substantial contribution to the growing surplus. In fact, it is hardly aggravating that particular problem in any way.

In recent years we have been moving towards the production of barley, and during the past three years Manitoba farmers have actually produced more barley than wheat. Last year for the first time the value of the barley crop was greater than that of the wheat crop. Having mentioned these aspects of the trend towards diversification in farming in Manitoba, I think we cannot be included in the group who are supposed to be crying havoc in the House of Commons.

Although I have no direct knowledge of the situation, I am informed that in the other provinces too, when the government has failed to move rapidly to deal with the very critical wheat marketing problem, the farmers have demonstrated initiative, in so far as they are able under the terms of the wheat board act, in helping to bring ready cash into the coffers. For example, I understand that farmers in Alberta have been bartering grain quite regularly for consumer goods and the merchants in the towns and cities have been encouraging this process. Advertisements are appearing in the papers offering consumer goods, furniture and so on, in exchange for the delivery of grain. Unfortunately, however, the price received is a very small price indeed when compared with the world market today. It runs around 60 cents per bushel and when we consider the inflation that has prevailed in Canada since the war it would actually be somewhere around 30 cents in terms of pre-war purchasing power.

Thus the prairie farmers, within the limit of their ability, are trying to cope with the unfavourable position in which they find themselves, a position that is growing increasingly difficult because they are caught in

the squeeze of the basic transition in our Canadian economy. There are other solutions than those that have been put forward by the government. One of the basic solutions of the agricultural difficulties in the prairie provinces was outlined by the prime minister of Great Britain during his visit to this country last week end when he emphasized that trade is a two-way street and that if we are going to recover the former position we occupied in the markets of the United Kingdom we must in turn be willing to increase our imports of manufactured goods from that country.

I was glad to note that in a speech in southern Ontario recently the Minister of Agriculture also raised this same question when he suggested that Canada was going to make an earnest attempt to get back into the United Kingdom market. That was the first time there had been any acknowledgment that we had lost the United Kingdom market to any considerable extent. We must have stable export markets for our agricultural products, and certainly the traditional source of stable markets has been the United Kingdom rather than our neighbour to the south. Our farmers are considerably disturbed as they watch with each succeeding year the growing imbalance of trade with our neighbour to the south.

Another solution that has been proposed from time to time to assist the agricultural producer, particularly the prairie agricultural producer, in successfully negotiating the period of transition in our economy has been a demand for parity prices. In fact, I understand that one of the theme songs of the farm organizations on the prairies during recent months has been a parody on the well-known popular song, "Faith, Hope and Charity". The farmers have been singing "Faith, Hope and Parity, that's the way to live successfully." The essence of parity, of course, is to place the farmer in a position where he will enjoy a reasonable level of prosperity in proportion to the extremely high level of prosperity being enjoyed by other segments of the Canadian economy. That of course demands a much firmer price support program than we have enjoyed hitherto in Canada.

At the present time No. 1 northern wheat has an initial price of $1.40 per bushel, but in some years only a small part of the wheat crop is graded No. 1 Northern, which means that on the average the initial price would be considerably lower than $1.40 per bushel. If the wheat producer on the prairies, and he is our major agricultural producer, is going to enjoy a reasonable share of the farm income he has to have a much more substantial return for his product in relation to relative world prices than that which is offered by an initial payment of $1.40. For example, we have here a little publication produced by United Grain Growers Limited, in which they give up to date figures on the prices of wheat in other countries of the world.

The international wheat trade—

Says this publication.

—has not grown in proportion to population increases in wheat-consuming countries. Practically all of these have been stimulating domestic wheat production by guarantees of high prices to their own farmers. Equivalents of such prices, in U.S. dollars, were recently reported as follows: *Algeria $2.64; Argentina $2.72; Austria $2.63; Belgium $2.56; Chile $4.50; Egypt $2.18; Finland $3.95; France $2.64; West Germany $2.72; Greece $2.40; Ireland $2.39; Italy $3.05; Japan $2.61; the Netherlands $1.86; Norway $3.46; Peru $1.83; Portugal $2.85; Spain $2.73; Sweden $2.35; Switzerland $4.19; Turkey $2.49; Union of South Africa $2.75; United Kingdom $2.30; Uruguay $2.96.

* Extract from South Western Miller, April 12, 1955.

In every case the price for grain produced in those countries is considerably above the price that our western grain producer has been receiving for his production during recent years.

Mr. Studer: How many of those countries are exporting countries?

Mr. Dinsdale: Very few of them are exporting countries. But these figures indicate the inferior economic position in which our prairie farmer finds himself as compared with producers in these other countries. Unfortunately for us, some of these countries have been endeavouring to become more self-sustaining in grain. For example, France has been exporting during recent years, and even India and Pakistan are in a much more favourable position so far as the production of wheat is concerned.

I therefore think there is a real need for a complete re-examination of our price support program in Canada at the present time. It may be, as has been suggested by many hon. members who have spoken, that the present phase through which we are passing is merely temporary and that within a year or so the prairie grain producer will find himself in a much more favourable competitive position in our Canadian economy. But as the result of radical changes in technology and of a more businesslike approach to the matter of grain production, it seems to me that we are in for continuing surplus production down through the years; and until we have a large enough population on the prairies and introduce other phases of industrial activity there so as to build up a more stable internal economy, it seems to me the farmer is going to need considerable assistance from the federal government.

So much for the general problem of wheat and the position in which the prairie farmer generally finds himself in the economy at the present time. There is one subject matter that I should like to bring to the attention of the Minister of Agriculture—in fact there are two—and I shall do so briefly. The problem of flooding in Manitoba has been under continuous discussion in this house during the past three or four years. When the estimates of the department have been before us, whenever we reached the section dealing with the activities of P.F.R.A. we have had one or two casual questions concerning the progress of diking and flood control on the Assiniboine and Red rivers, and the minister has told us in casual terms that the work is proceeding according to plan.

Last spring, however, the problem of flooding reached unusually severe proportions and there were demands for immediate action from the farmers affected. They were so greatly disturbed that they organized a flood control association, which has been meeting regularly since then in order to bring this problem directly to the attention of the government. The hon. member for Portage-Neepawa made an effective presentation last year in regard to this question. He went back to his own constituency in order to review the situation for himself, and he came back thoroughly convinced that immediate action was required to deal with the situation. If the minister replies to the various questions that are thrown at him during this preliminary discussion on the first item of the estimates, I would appreciate it if he could inform us what action has been taken or what plans there are for the immediate future to deal more directly with this problem.

Then there is also the matter of assistance to the farmers who were affected by the flood last year and in the previous few years. Under the federal-provincial flood formula I understand that no consideration is to be given to the loss of livestock, grain or chattels. Under the assistance program I believe that only building damage is recoverable.

If that is the case it completely avoids the issue, because most of the farmers somewhere in their farm area have a relatively high level of ground, and they have seen to it that their buildings were placed on that high level. Almost without exception the flood damage did not cause any difficulties in connection with the houses, barns and other buildings. The damage arose largely because of inundated fields and inability to sow the crop last spring. There was also some injury to the farmers' livestock. Therefore if it is true that the federal-provincial flood formula covers buildings only, it makes no contribution at all toward solving the problem of the financial loss suffered by the farmers in the recurring recent floods.

I understand also that the formula applies only to farmers who have been flooded by what are described as foreign waters such as the Assiniboine river, the Red river, the lakes of Manitoba and so forth. Again, much of our problem was caused from excessive rain damage. Of course if we were going to consider the difficulty in all its aspects, this would lead us to a consideration of the P.F.A.A. program. I believe there is in store for us at a later date some legislation with regard to P.F.A.A. I shall therefore leave any further remarks I have to make on that score until that legislation is before us.

There is one final item to which I wish to refer, and it is a recurring one. It is a problem that has been considered thoroughly by the committee on agriculture during the past two or three years. It is a problem that it seems we have not begun to solve even after all the careful deliberation which has taken place. In dealing with the question of the allocation of box cars the agriculture committee of last year came to this conclusion:

> Your committee gave particular study to the difficulties of moving grain at this time of relative congestion and the inherent problem of the equitable distribution of box cars.
>
> Your committee was seized with the present necessity of wheat board shipping orders having overriding priority. This committee recommends that the wheat board allocation of shipping orders be carried through, by the wheat board issuing instructions to the railways to spot box cars at elevators at each shipping point in proportion to the wheat board orders approved for that point.

At the time that seemed to be an adequate solution, but I have had more letters of protest than ever before on this box car problem. It would therefore seem that there is still something lacking. I know the question comes more directly under the Minister of Trade and Commerce but I trust the Minister of Agriculture, because of his professed interest in the welfare of the western grain producer, will use his influence in bringing about a more satisfactory solution to this difficulty.

Mr. Carter: I want to say how happy I am to learn that so many farmers are in a position where they can afford to pay income tax. My primary interest, of course, is fish because I am the representative of a constituency composed almost entirely of fishermen. I am looking forward to the day when the fishermen of Burin-Burgeo will also be in a position to pay income tax. I only want the farmers to be in a position to keep on paying

income tax, and we want to bring the Newfoundland fishermen up to the point where they can pay income tax.

In order that these happy results may be achieved without detriment to the farmer, I am rising today to issue a word of warning to my friends from Saskatchewan. I want to suggest to them that they warn their farmer constituents against expanding the production of wheat, because a method has now been found whereby bread can be made from fish protein. Everybody knows that protein is far more essential to health than starch.

Mr. McCullough (Moose Mountain): At the outset, Mr. Chairman, I want to say this party has stood firm for a national agricultural policy comprehensive enough to embrace all phases of agriculture in Canada. We are simply not satisfied with the hit or miss, hodgepodge policy of this government.

I was most astounded this morning when the Minister of Agriculture, in introducing his estimates in this house, failed to mention two of the very important phases of agriculture, namely livestock and hogs, eggs and poultry. In spite of the fact, that the committee gave unanimous consent to allow him to continue his introductory remarks, he did not see fit to deal with these topics. Perhaps he had some reason for it; I do not know. But I want to say that until we do have a comprehensive system of parity prices and other formulas by which the Canadian agriculturist is assured a fair price, I feel we have not a suitable agricultural policy for Canada.

Now that some segments of our Canadian agricultural economy are really in a price squeeze, I think it is important that this house give careful scrutiny to certain aspects of the agriculture situation. Once again this morning the Minister of Agriculture took exception to some remarks I made in a former debate, when I indicated that the Canadian Federation of Agriculture had criticized him with respect to his statement concerning the welfare of the agriculturist in Canada. I want to deal with that matter before proceeding with my remarks concerning policies in general. The article to which I referred in a former debate was carried in the *Western Producer* of February 2, 1956, and was entitled, "Making Monkeys out of us; Delegate Criticizes Gardiner".

At the Hamilton meeting of the Canadian Federation of Agriculture a delegate got up and took exception to remarks the minister had made at a previous meeting in Winnipeg in respect to the income of farmers in Canada. This delegate asked that the Canadian Federation of Agriculture pass a resolution, and took exception to what he claimed was a misrepresentation by the minister. I want to read from the article. Incidentally, this delegate told Dr. Hannam, C.F.A. president, that he was evading the question which he had put to him earlier in the session and asked that he make a direct answer. The article says:

> Dr. Hannam said he had answered it the first time when he referred Mr. Stauffer to his presidential address in which he said that while most Canadians were enjoying prosperity, the farmers were not sharing in it and this should be recognized in the national picture when 1956 programs were being made.

Then the Canadian Federation of Agriculture passed a resolution criticizing the statement of the minister, and this is what it says:

> The 20th annual meeting of the Canadian Federation of Agriculture, in session today, noted with regret a press dispatch reporting a speech made by Mr. Gardiner, federal Minister of Agriculture, at Winnipeg. He is reported to have said that farmers' cash income for the past five years has been "the highest by far we have ever had".
>
> His comparison of cash and net farm income in Canada for the two most recent five-year periods, while technically correct, tends to leave an entirely erroneous impression with the public. During the past five years the annual cash farm income of Canadian farmers has declined by $480 million and net farm income by $700 million. This situation reflects not only the sharp decline in farm prices, which has been experienced by Canadian farmers, but also some increase in farm costs during the five-year period.
>
> The farm price situation is most simply reflected by the ratio of prices received by, to prices paid to farmers during the period. This ratio has dropped from an average of 110 in 1951, to 80 at present, and is now at the lowest level since 1940.

Mr. Gardiner: There is only one thing involved in what I said this morning. I pointed out that my hon. friend had said I had not discussed net income, and that report indicates I did.

Mr. McCullough (Moose Mountain): I will accept what the minister states, if he wants to say he discussed net income. Even so, he knows quite well he is leaving a false impression with the general public when he makes the statement, taking a five year period—

Mr. Gardiner: I did not do any such thing. My hon. friend said yesterday I never at any time, and especially at Hamilton, discussed net income. Is he going to be honest enough to say he was wrong?

Mr. McCullough (Moose Mountain): When the minister had the opportunity to take the floor, by the unanimous consent of this committee, he refused to make a further statement. Now in my 30 minutes I want to deal with this, and he can reply at a later date.

The Winnipeg *Free Press* of January 28 referred to the statement the minister made at Winnipeg. I am going to quote the article

in full because I think here again this newspaper is reporting what the public, and at least this newspaper, think about statements the minister makes at some of these meetings. It is headed, "Mr. Gardiner Figures Again", and reads:

> The federal Minister of Agriculture seems absolutely determined, at any cost to his own reputation, to misrepresent the true state of the wheat farmers' income. Speaking to the western Canada fair association's annual meeting in Winnipeg earlier this week, Mr. Gardiner paraded an armful of arguments that could only be designed to mislead his audience.
>
> The income figures he quoted were for all farmers in Canada. The argument is about the income of the prairie wheat farmers. By including a large body of people not included by anyone else, Mr. Gardiner fortifies his argument. But this alone is not enough to indicate that the income of the wheat farmer has not shrunk. So Mr. Gardiner figures in five year averages, and says that, on the average, farmers in Canada have been more prosperous in the past five years than they were during the previous five years.
>
> This, of course, is simply a gimmick. Averages cover enormous variations. Mr. Gardiner's broad sweep of averages cloaks the whole point: which is that for the last two years farmers have been much harder up on the prairies than they were for many years before. This is an incontrovertible fact. Mr. Gardiner's figures do not attempt the impossible and deny it. They are just chosen to cover it up.
>
> The liberties taken by the minister are so flagrant that they have drawn formal criticism from people who have historically been friendly to him. The Canadian Federation of Agriculture, in annual meeting in Hamilton, on Thursday passed a resolution criticizing the speech; their resolution pointed out that from 1951 to 1955 the cash income of farmers has declined by $480 million, their net income by $700 million. And they charge Mr. Gardiner with leaving an "entirely erroneous impression with the public." It is to be hoped that rebuke from this source will at last show Mr. Gardiner that he is beating his head on a brick wall.

I think that pretty well answers the statement, if there had been any confusion before. The fact is that farm income has dropped and farm costs have continued to rise. I wish to quote the closing sentence of an article that appeared in the Winnipeg *Free Press* of December 3, 1955, which states:

> For every dollar of actual cash income that the farmer had in 1951, in 1954 he had only 60 cents.

These figures illustrate exactly the price squeeze which is developing each day in western Canada and making it more difficult for the farmer. There must be farmers throughout Canada who are likewise feeling the financial pinch. We of this party do not want policies only for western Canada. We think we must have policies which will embrace the whole Canadian farm economy. While I am dealing specifically with the situation in western Canada, I think it is one which reflects the whole Canadian farm income.

I hold in my hand figures taken from the dominion bureau of statistics record which indicate that while the national income increased from 1930 to 1939, and again from 1946 to 1954, the share of the national income going to the agriculturists or farmers lessened in that period. We find that in the period 1951-1954 the farmer's share of the national income dropped so rapidly that in 1954 it was a mere 5·6 per cent, which was even smaller than the average figure in the depressed 1930's.

I hold in my hand a clipping from the Winnipeg *Free Press*, which deals with some of the farmers' problems. The article is entitled "Squeezing the Farmer". It deals in particular with some of the farmer's costs and refers to him having to pay one-third more on certain items than formerly because of tariff regulations and classifications. It illustrates that in tariff board rulings there is often more than one interpretation and consequently, as it states here, the tough interpretation is to be preferred. It would seem that is the way they operate. The article goes on to point out:

> Sales of parts in Manitoba in 1954 dropped by 12 per cent from the 1953 figure; parts sales in Saskatchewan dropped by 30 per cent.

The reference is to machinery repairs and parts. In that connection I may say that the Canadian Federation of Agriculture, as reported in the wheat pool report of January, 1956, asks that tariffs be cut on certain items the farmer must buy. It includes in the article a list of products on which it feels the tariff should be taken off.

The situation in respect of the whole western economy is getting worse. It is affecting our merchants, our retail sales trade and also the livelihood of the people. I hold in my hand an article from the *Journal*, dated August 15, 1955, dealing with the falling sales of farm machinery. This article states:

> In 1954 sales of all farm implements across Canada dropped 38 per cent, or more than $92 million. Even the sales of repair parts were down 14 per cent, an even surer indication that farmers are pressed for ready cash.

In reference to Saskatchewan it says:

> For instance Saskatchewan sales last year dropped by more than one-half, Alberta's by 45 per cent.

Hon. members who are not acquainted with conditions pertaining to western agriculture in particular can understand why some of us are very disturbed about the cost-price squeeze facing the western farmer. As I said at the beginning, we in this group have fought in the past and shall fight in the future for Canadian national agricultural policies which will have adequate parity prices for all the

different phases of agriculture, and by which the farmer can be assured of a fair standard of living.

As I indicated earlier, Mr. Chairman, the Minister of Agriculture did not deal with two very important subjects. In the last few months the western farmers have been quite concerned over two matters; first, the falling prices of hogs and the fact that in some instances they are getting lower prices than they believed and were told were the floor prices, and also in respect of the selling of eggs.

I want to deal first with the matter of floor prices for hogs. Perhaps I should first deal with a matter that came to my attention last year. I recall that the Minister of Agriculture spoke to the agricultural fair in the coliseum in Ottawa. In the course of his speech he had in his hands the presentation of the Canadian Federation of Agriculture in which they asked for a flexible parity structure for Canadian agriculture. At that meeting the minister read from that brief and intimated that on each occasion the farmer was already receiving a flexible parity price, namely the 85 cents asked for by the federation at that time. Since that time the marketing and pricing of hogs has become more treacherous, and I think the western hog producer is realizing it may well be that he will not get the price which he has been told he is guaranteed under the floor price system of the federal government.

I have in my hand two copies of receipts from farmers who have shipped hogs to packing plants. One of them is from Burns and Company and the other is from the Swift Canadian Company. I want to say that I take exception to the way in which these receipts are filled out. The statement from Burns and Company illustrates that this farmer shipped four hogs and got a price of $18.75 per hundredweight. The other receipt is for two grade A hogs for which the farmer received a price of $18.85 per hundredweight. There is no indication on either receipt as to what the farmer paid in respect of freight, trucking, transit insurance, yardage, yard fire insurance, commission or prorating. All he has is a net statement made out in his name. I maintain it is quite impossible for a farmer to know whether or not he is receiving the floor price.

Recently in the house I asked the minister how a farmer should go about getting the floor price for his hogs and the minister replied, as recorded at page 708 of *Hansard*, that all the farmer has to do is take his receipt and send it to the prices board. Later on in answer to the question he said he should send the slip to the Department of Agriculture.

[Mr. McCullough (Moose Mountain).]

I maintain, Mr. Chairman, that there are no floors to the producer of hogs in western Canada, and that under the policy of this government it is not living up to its undertaking to provide floor prices on hogs as guaranteed to farmers under the Agricultural Prices Support Act. This indicates to me that this government has been taking credit where no credit was due. Up to the present time we find that due to the demand for hogs there has been no move for any policy of federal support to come into play by which the government would of necessity have to provide floor prices for hogs.

In 1953 the so-called support price for hogs dropped from $26 per hundredweight for grade A hogs to $23 per hundredweight. We now have a situation where more pressure is being put on the market, and it would seem that farmers are getting a price below what they thought was the floor at Winnipeg, Regina, and Saskatoon. Under the Agricultural Prices Support Act this government has the power to provide adequate floor prices for the western hog producers. I am now asking this government to take some concrete action by which the hog producers will get a floor price in conformity with the cost of production.

There is no use having floor prices which are in the cellar, and there is no use having the so-called floor prices go down to a point where the Agricultural Prices Support Act will not come into play, and where the $200 million provided under this act would not be used in order to support adequate prices for the hog producers. I maintain that so far as western Canada is concerned, and indeed in Canada as a whole, there are no floor prices as far as hog producers are concerned.

The same thing is true of eggs in this country. The other day I directed a question to the Minister of Agriculture concerning eggs. I referred to a newspaper account of a charge made by Charles Walls, secretary manager of the British Columbia federation of agriculture, that in his province egg inspectors have secret instructions which nobody but themselves are allowed to see. Mr. Walls said that the inspectors were inspecting eggs on such instructions rather than the printed regulations about which everybody knows.

Illustrating his point that uncertainty about floor prices each year ruined the good work they were supposed to do, Mr. Walls said that in that period this year in two centres the price of grade A large eggs had dropped 16 to 20 cents. That, Mr. Chairman, clearly indicates that there is no floor for the producer. I have tried to get as much—

Mr. Gardiner: Where were they when they started to drop?

Mr. McCullough (Moose Mountain): I do not know; Mr. Walls does not state that in his charge. I know for a fact, however, since this so-called price formula came into being producers in the west have sold their eggs for less than 25 cents a dozen.

Mr. Gardiner: Eggs were 85 cents a dozen.

Mr. McCullough (Moose Mountain): I do not care what they were to the consumer; that is not the point I am making right now. That is the reason I think this government does not have an adequate floor price, certainly not to the producer.

What is the situation with respect to this matter? There is a guaranteed floor of 38 cents a dozen to the people who store the eggs. And how is the price to the producer arrived at? The producer stands all the shot for every single cent of the cost in relation to the eggs, with plenty of spread for everyone. Today the producer pays for the transportation, the washing, the oiling, the fillers and the crates, and for the interest on all the money involved. In addition, when these eggs go into storage and come out six or eight months later they are degraded; about 20 per cent of them are "rots" or cracked. The producer pays for all of that, because the cost of degrading is deducted.

Mr. Gardiner: Will my hon. friend tell me why it is that in the province of Ontario they have 18 or 20 boards to look after the kind of thing he is talking about in order to see that it is done properly, and can he tell me why we have none in Saskatchewan?

Mr. McCullough (Moose Mountain): I will tell you why—

Mr. Gardiner: Because you have a C.C.F. government, that is why.

Mr. McCullough (Moose Mountain): In Ontario it is done under the co-operative marketing act. Last year united farmers' organizations in Saskatchewan tried to promote the idea of marketing boards, and we had the packing companies through their stooges throughout the province discredit that type of organization to the producers. That is why we do not have them.

Mr. Studer: Why didn't the government do it?

Mr. McCullough (Moose Mountain): The fact is that we have not—

Mr. Studer: Why didn't the government do it?

Mr. McCullough (Moose Mountain): Has the hon. member for Swift Current got verbal constipation, or what is wrong with him? If he wants to make a speech he can do so when I am finished.

Mr. Fulton: I think he has verbal diarrhea.

Mr. McCullough (Moose Mountain): We in this group, and I think it will be supported by all hon. members in the house, hope the government will see fit to bring in a comprehensive national agricultural policy by which we can provide parity prices for the producer. That is all we are asking for. We want a fair price for the producer that will give him a fair return for his labour, and I do not think that is asking too much. I believe it is not good enough to just have a floor price to the packer. We need a policy that will provide a floor price to all agricultural producers. I think this can be done under the Agricultural Prices Support Act and under the co-operative marketing act.

I dislike to receive letters like the one attached to these receipts, which is a case where a producer is caught in the price squeeze. As I have indicated, he shipped four grade A hogs to the packing plant and got a net return of $18.75 per hundred. That is not all, Mr. Chairman. I wish to point out an even greater injustice than that. In the degrading of hogs when there is a heavy run on the markets, the packers can pick up hogs pretty well at their own grade.

I am not satisfied to have the minister get up and say that we have government graders and all the other nonsense. I should like to see some way by which the producers can know they are getting a fair deal in respect to the sale of their hogs. I would like to see something done so the producer would know that he was getting a fair deal in respect to the sale of his hogs.

The receipt I have here shows that this man shipped two hogs which were graded as C. Their weight was in the 120-185 bracket, the two weighing a total of 241 pounds. But the price received was $3 per hundredweight less or $15.35 less than for grade A hogs. On the other side of the receipt are set out the classifications under which a farmer must sell his hogs. I am all for the grading of hogs, but I submit that the weights are most unfair to the producer. The grades are A, B1, B2, B3, C. D. lights, heavies, extra heavies, sows No. 1 and sows No. 2.

If a hog is sent in that is one pound overweight, in other words if it weighs 171 pounds, it would be outside the grade A classification and the farmer would automatically get $3 per hundredweight less. I think this is something the minister should look into. Last year we had a debate during which we tried to determine whether the producer was getting a fair price for his livestock products. I am sure that in this country there is no justice or fairness in what the producer gets

and what the consumer pays. I am speaking more particularly of the hog producer. As I have indicated, neither in the case of hogs nor in the case of eggs is there a floor in this country which will guarantee the producer a fair and just price or even a stated price for which the government has taken credit for a number of years.

Surely in this year of 1956 this parliament, faced with a gross national income of over $26 billion, should not have to look into the dim past for an agricultural policy. We should be able to bring forth a policy which will meet the needs of a progressive country, a country which can produce not only for its own people but for hungry people abroad. Under that kind of policy the producer would be protected and have a guarantee of justice and a fair income.

Mr. Cardiff: Mr. Chairman, I rise to take part in this debate because the minister has given us a program to follow of which I for one do not entirely approve. The Minister of Agriculture has proved himself to be a much better political adviser to the government than a minister of agriculture so far as the farmers are concerned. I have listened to him for the last 16 years, and I give him credit for being a clever minister. I appreciate his ability in a great many respects, and certainly would not attempt to analyse the figures he has given us at one time or another. The fact is that he is a marvel with figures and pretty hard to tie down when he is quoting them.

An hon. Member: He is telling the truth.

Mr. Cardiff: I was not intimating that he does not tell the truth at all times. I have great respect for the minister in that regard, but he has the happy faculty of twisting figures.

An hon. Member: Figures do not lie.

Mr. Gardiner: I just give them, I do not twist them.

Mr. Cardiff: The minister has placed on *Hansard* certain figures. We have not had an opportunity of seeing for ourselves what they mean, but when it comes to telling the farmers that they are in a better position than they ever were, that is a different story. Anyone who knows anything at all about farm income knows perfectly well that the farmers of this country are the only group which has not prospered as the national income has gone up. All other groups have prospered under that increase, but the farmers have not. They are the ones who have been taking the brunt of this thing from start to finish. They always get the last rise in prices and when prices start to go down they take the first fall. We have been taking falls for almost three years. We have been going down instead of going up at a time when everything we have to buy has gone up. The price we get for what we produce does not constitute something that is real. What we have left after we have bought what we have to buy is our profit, and we have not had very much profit.

I do not intend to talk about wheat, but if I were going to I would say that the government is to blame to a large extent for the fact that we are out of the British market with our wheat. We refused to let the British dealers sign for $2 wheat because we insisted on $2.05. As a result we have never sold any wheat at that price. We could just as well have held the British market as lost it. The British are smart buyers, and they know when they are offered a good price.

When we held our wheat at $2.05 we lost the British market, and since then they have not been buying very much wheat from us. I heard the Minister of Trade and Commerce state that we had not lost the British market, that they would have to buy wheat from us, but they have not had to buy wheat from us. They bought their wheat from Russia, where they could buy more cheaply than here. Not only that, but countries in Europe have been forced to grow their own wheat because ours was too expensive to buy.

Had we in the east been able to buy feed wheat at a price we could afford to pay we would have bought many thousands of bushels. That would have made more space available in the elevators for wheat now lying out on the prairies. That is one reason we have such a surplus of wheat, because we in the east could not afford to buy feed grain.

When we found we could not buy feed grain at a price we could afford to pay we had to buy screenings, which up to that point had not cost anybody anything but had been taken off the western farmers as dockage. We had to buy those dirty screenings that should have been burned, at a time when there was plenty of surplus grain in the west. We could easily have bought a lot of that grain and thus made storage space available for thousands of bushels of wheat now lying out on the prairies.

Progress reported.

IMMIGRATION ACT

AMENDMENT RESPECTING ACQUISITION AND LOSS OF CITIZENSHIP

Mr. H. A. MacKenzie (Lambton-Kent) moved the second reading of Bill No. 7, to amend the Immigration Act.

He said: Mr. Speaker, in rising to propose this amendment to the Immigration Act I am

[Mr. McCullough (Moose Mountain).]

fully conscious of the fact that it affects the citizenship act because the two are inseparable and so interwoven that it affects both. Therefore I want to talk mainly about the citizenship part of the amendment.

For some years now I have been rather dissatisfied with both the regulations and the attitude of some of the new Canadians who have come here from time to time. I appreciate that this country is really a land of immigrants. Many of us in the house today are immigrants ourselves, and in the great majority of cases our parents or our grandparents were immigrants who came to this country. I should like to put on the record a summary of the number of immigrants who have come to Canada since the war years. These are round figures, and are as follows:

Year	Number
1946	71,000
1947	64,000
1948	125,000
1949	95,000
1950	73,000
1951	194,000
1952	164,000
1953	168,000
1954	154,000
1955	109,000

In the ten years from 1946 to 1955 a total of 1,222,319 immigrants have come to the shores of Canada. I should also like to put on the record comparative figures of immigration and naturalization. New Canadians are required to live here five years before they can apply for citizenship papers. I have taken the five years from 1946 to 1950 and then the five years from 1951 to 1955. In 1956 71,719 immigrants came to this country and five years later, when they were eligible to take out citizenship papers, 12,553 obtained their papers. In 1947 there were 64,000 immigrants and in 1952, five years later, 10,000 obtained their papers.

During the five years from 1946 to 1950 some 430,000 immigrants came to Canada, and in the period from 1951 to 1955 116,375 took out their papers. Less than one-third of the immigrants who came to Canada from 1946 to 1950 took out papers in order to become naturalized Canadian citizens. With your permission I should like to put these two tables on *Hansard*, because I have not given them in detail. They are quite short and I do not think anyone will object.

Mr. Green: May I ask the hon. member a question. Do these figures of the number of immigrants who came to Canada include immigrants who are British subjects?

Mr. MacKenzie: Certainly.

Mr. Deputy Speaker: Order. Has the hon. gentleman leave to place these tables on *Hansard*?

Mr. Fulton: Could I ask him the source of the figures? Are they from the bureau of statistics?

Mr. MacKenzie: No, I got the figures from the department of citizenship, and I assume they are correct. They are for the calendar year and not the fiscal year.

Mr. Fulton: I have no objection. I just wanted to know the source.

Mr. Deputy Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. MacKenzie: The tables are as follows:

Post-War Immigration to Canada by Calendar Year

1946	71,719
1947	64,127
1948	125,414
1949	95,217
1950	73,912
1951	194,391
1952	164,498
1953	168,868
1954	154,227
1955	109,946
Total	1,222,319

Comparative Figures—Immigration-Naturalization

Immigration (Calendar year)

1946	71,719
1947	64,127
1948	125,414
1949	95,217
1950	73,912
Total	430,389

Naturalization (Calendar year)
Five years later

1951	12,553
1952	10,749
1953	13,528
1954	19,545
1955	60,000
Total	116,375

That is probably not a true picture. It cannot be said it is an accurate picture, because we do not know how many of the immigrants who came to Canada went to the United States or some other country, and did not remain here long enough to take out naturalization papers. However, there is a trend there revealing a situation that in my opinion should not exist. I wondered if it was the fault of Canadian citizens, or should we revise our immigration regulations to make them more elastic, more strict, or at least to make the immigrants who come here more citizenship conscious.

The process of taking out citizenship papers is not in itself very difficult. Again, in case someone asks me, I got these regulations from the citizenship department. The Canadian citizenship certificate grants specific rights and privileges such as freedom of

speech, religion, thought and action, the right to vote as you choose and the right to be secure in your possessions. The obligations of citizenship are set forth clearly in the oath administered to each potential citizen. Each newcomer repeats the oath of citizenship, repeating the words in groups of 7 or 8, phrase by phrase as pronounced by the judge of the court. The oath sworn is:

> I swear to be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen, so help me God.

There is nothing automatic about the privilege of uttering this oath and receiving the prized certificate of citizenship. The process of induction really starts in the country of origin, where immigration and visa officers of Canada make a careful selection from among those desiring to enter this country. Before the prospective citizen appears in court for the swearing-in ceremony and the granting of a certificate of citizenship there are procedures designed to check on the suitability of the candidate. I might say here that the department told me that less than 2 per cent of the immigrants who apply for citizenship papers are rejected.

An officer of the court is assigned to assist the applicant in making out a detailed form in two copies, one of which is posted so that any member of the public may make objection if he wishes, and the other sent to Ottawa for scrutiny. Name, place of birth, occupation, arrival in Canada, places of residence since landing, periods outside the country, ability in languages, intention of domicile, are all covered in detail in the application.

The applicant must disclose "if you have been confined in, or an inmate of any penitentiary, gaol, reformatory, prison or asylum for the insane in Canada." The marital status of the applicant is checked, together with children and their ages. A careful description is given and "your applicant humbly prays for a decision that he is a fit and proper person to be granted a certificate of citizenship".

After a lapse of three months, as required by law, the applicant is called back to be examined by the judge of the court, who must be satisfied about the fitness of the petitioner for citizenship. The judge goes into such matters as residence within the past year, legal domicile, service in the armed forces, if any, lawful admittance into Canada, character of applicant, his knowledge of the English or the French language, and whether the petitioner has "an adequate knowledge of the responsibilities and privileges of Canadian citizenship."

[Mr. MacKenzie.]

The judge of the court then affixes his signature, approving or rejecting the candidate, with any remarks and observations he may care to make. This copy of the application—the second—is then sent to Ottawa. The citizenship branch at Ottawa completes its investigations and, if the petition for citizenship is granted, a numbered certificate is made out and sent to the court.

The prospective citizen is then notified to appear for the swearing-in ceremony, this being the final goal of his efforts. The complete ceremony requires about an hour. The newcomers first have the procedure explained to them by the clerk of the court, who then calls up the judge who presides at the oath-taking. Both the clerk and the judge usually speak in English and then in French. The potential citizens in the oath-taking procedure place their right hands on the Bible.

At each sitting of the court it is the practice to have a representative of one of a large number of voluntary associations, interested in promoting the welfare of immigrants, speak briefly. It is important that immigrants be integrated into community life. Community organizations thus have an important role to play in fostering good citizenship among newcomers as well as among the native-born. The concluding event at each sitting of the citizenship court is an address of welcome to the newly inducted citizens by the judge of the court, who points to the significance of the occasion and expresses the hope that prosperity and all the other accompliments of a full life will be theirs.

I sometimes wonder why the new Canadians who are domiciled here for five years in many cases at least are a little reluctant to make out their applications for citizenship. I have here a letter which I received recently from one of the county court judges, from which I should like to read just one paragraph. He says:

> I have for years felt that we as a whole do not take sufficient interest in the welfare of our new Canadians, nor do we outwardly indicate our desire to be of assistance to them. Our naturalization courts on the whole are too cold and lack the personal interest and concern in the well-being of our new citizens.

I sometimes wonder whether our own Canadian citizens are too modest in acclaiming our own land, its opportunities, its privileges and the benefits they enjoy in it. I must confess that I sometimes think we Canadians seem to be in an apologetic mood for the fact that we were born in Canada and that we are Canadians. As a matter of fact, I must confess that I myself had to go to a foreign land in order fully to appreciate the value of Canadian citizenship and what it meant to me.

I remember going one time on a trip, or a mission if you like, with the United Nations relief and rehabilitation administration which took me for two and one-half years to China. There I dealt with people of many nations. At one time under that UNRRA program there were probably 2,000 personnel on the staff in the China field. The majority of them were Americans because after all, while many nations contributed to the program, the basis of the contribution was a percentage of the national income. As the United States had a much larger national income than the others, they made over 70 per cent of the whole contribution that was made. Hence naturally 70 per cent or probably a little bit more of those on the staff were Americans.

I lived and worked with those people for two years or two and one-half years. I was rather amazed at the Americans who were always singing the praises of their country, saying it was the greatest country in the world, the country that had the brightest future, the country that had the highest standard of living and even going on to say—although they could not very well do it now—that it was the country that had a dollar that was worth more than that of any other country in the world. I will admit that at times they made me tired and annoyed me, but I must confess that in many ways I admired them for doing that.

I think we as Canadians can borrow some of that plan from our American friends. Why should we be modest about the country in which we live? Do we not live in a country that has had the greatest expansion in her history in the last 10 or 15 years? Never in our lifetime have we had such great expansion and such development as we have had in the last 15 years. It is the belief of many people who are in a much better position to judge than I that we are on the threshold of a much greater expansion and a much greater development than we have ever had before in our history. Further, I believe the Prime Minister of Britain emphasized this matter the other day.

In my opinion, and I know it is the opinion of many other people, there is no country in the world that is held in higher regard among the nations of the world than is Canada today. I therefore think that we as Canadians should impress on the minds of not only our new Canadians but our associates the great privileges we enjoy and the great future we have in this country.

The amendment I have submitted here to the Immigration Act is a simple one, and it is proposed with the thought in mind of creating among new Canadians who come to our land more incentive to take out their citizenship papers. It is true that many who come here are British subjects. Many come here from the British commonwealth of nations. Those people also must be domiciled here for five years before they can take out their own naturalization papers. They have, however, some advantage over the people who come here from other lands owing to the fact that when their five years of residence in this country are up, they may make direct application to the registrar of the citizenship department here and they are issued their citizenship papers without going through the process in court which the other people must do, with a three-month stay before they can finally get their papers.

I find that some of the people who come from the British commonwealth—and I admit that it is a limited field I am speaking of now—feel that as British subjects they do not necessarily need to take out citizenship papers—they feel that it is not required—and some of them are rather reluctant to do so. On the other hand, many of the immigrants that live in my district—and many of them are central Europeans who come from war-torn districts—are extremely anxious to take out their citizenship papers, and they make their application as soon as their five years of residence has been completed here.

While living in China I remember running across some people who came from central Europe. They came through the rise of Hitler and settled in Shanghai, not knowing where to go. Seeing the rise of the communist regime, they wanted to come to Canada or the United States, to the North American continent. One couple over there whom I knew very well decided they would like to come to Canada. I told them to put in their application because I felt sure they would be accepted. I had known them for two or three years, and in my opinion they were a very fine type of citizen.

This summer I visited Vancouver and they met me at the depot. After exchanging greetings the first thing they said was, "Do you know you are looking at new Canadians now?" They were delighted to think they were now Canadians. Sometimes immigrants who come to this country have the mistaken idea that the filing of what is called a notice of intention is going to hasten their citizenship papers. Of course that really is not true. The notice of intention has no bearing at all on the ultimate issuance of citizenship papers. It only means you intend to apply for citizenship papers when you have completed your five years of residence in this country.

There is a somewhat similar situation in the United States. A few days ago I was talking with a consular attache at the United

States consulate and he said they have a similar regulation, that you must reside in the United States five years before you are eligible to make an application for citizenship papers. I said I understood they had something called first and second papers which led to citizenship. He said that was something the same as our own notice of intention. It is a notice that you intend to do this some time. It does help one to hold a job if you have filed a notice of intention or first papers showing that you do intend to become a citizen of the country, but it does not necessarily mean you are going to have your citizenship papers. Certainly it does not mean you are going to have them any sooner.

Mr. Green: Does the United States have any provision compelling a person to take out citizenship, similar to the proposal the hon. member is asking to have written into our law?

Mr. MacKenzie: I am coming to that in just a minute. As a matter of fact I do not think there is any compulsion in this amendment I am submitting. I did mention to my friend that since we lived fairly close to Detroit I remembered quite well that during the depression some Canadians who had gone to Detroit and taken their first papers were let out of their employment and returned home. I said that I knew some of them had their first and second papers, but they were let out. He said that was not an over-all regulation in the United States, but was really instituted by the city to look after their own relief rolls.

I agree that the most normal, and probably the only, way to have citizenship in the true form is to have a desire in your own heart and soul to become a citizen. A person has to be anxious to become a citizen. You cannot compel a person to become a citizen. I do not believe the amendment I have submitted does compel anybody to become a citizen. There is nothing compulsory about it. If you reside in this country for five years, then normally you have three months to wait before you get your citizenship papers. This amendment proposes that you have one year in which to make up your mind. There is the five years residence, and then you have one full year to make up your mind whether or not you want to become a citizen. If you do not make that application within one year, then you simply lose the first five years residence and start all over again.

Mr. Macdonnell: May I ask a question at this point? Would there be nothing whatever that could serve as a sufficient excuse or reason, I mean illness or anything, for having let the year expire?

[Mr. MacKenzie.]

Mr. MacKenzie: There is no such provision in this amendment. This is only a suggestion to the members of the house. It is up to the members to make these suggestions. I would think that if you lived in a country for five full years, and then had one more year making six years in all, you would have some idea of whether or not you wanted to become a citizen. If you put in an application, then that clears you.

If you do not put in an application, then you lose the first five years residence. You can pick it up again, and it is only a matter of extending it five years more. A person may live his life in Canada, may engage in business and become quite prosperous without ever taking out his citizenship papers. In fact, some of them do that. Nobody molests them; nobody says anything about it. It is quite optional.

I cannot see how the amendment I am proposing has any compulsion about it. It is entirely voluntary. It is just an added incentive. If you want to put in your application, all right; but if you do not nobody is going to molest you as long as you obey the laws of the land and do not become a public charge. I believe we all agree that the sooner the immigrant becomes a Canadian citizen, becomes integrated into our Canadian life and assumes the responsibilities which are his as a citizen, just as he accepts the privileges and benefits, the better it is for all concerned. I say again, in submitting this proposed amendment to the Immigration Act, I feel it is something that does not have any compulsion in it. It is a matter of creating greater interest and enthusiasm amongst ourselves so there will be a greater number of enthusiastic Canadians in our country.

Mr. John Decore (Vegreville): I want to make a few remarks in connection with this proposed amendment to the Immigration Act, Mr. Speaker. Listening to the hon. member who proposed the amendment, it appears to me that probably his prime intention is to get more of our newcomers to become Canadian citizens as soon as possible. This feeling is understandable, because I believe it is a feeling that is shared by many of us in this house. We like newcomers to become Canadians and to assume the duties and obligations, as well as the privileges, of Canadian citizens.

Although I am sympathetic with his intentions, I am afraid I must disagree with his methods. This amendment would make it mandatory, according to the note of explanation—

Mr. MacKenzie: I do not like the word "mandatory"; I am sorry.

Mr. Decore: Well, it would make it mandatory for an immigrant to apply for a certificate of citizenship within one year after acquiring domicile, otherwise he would lose such domicile for an additional period of five years. The hon. member has stated that this does not compel a newcomer to become a citizen. I might go along with him and agree on that, but it does imply compulsion because of the fact that a newcomer would be subjected to this penalty. You might as well put it in the form of a penalty because, by having failed to make his application within the year in question, he would have to wait an additional five years.

If this amendment passed I would think probably more people would become Canadian citizens; that is, newcomers to the country. But is that what we want? We certainly want newcomers to become Canadian citizens, but do we want to use any form of compulsion to require those people who do not apply within a certain period to wait another five years? If we resort to this method we might have more people apply, and in that way the object the hon. member has in mind might to some extent be attained.

I think this is in violation of a very important principle of our way of life. It is simply this. In a democracy we should respect the freedom of the conscience of the individual. Just as religious faith is a matter of conscience, so should citizenship be a matter of conscience in a democratic country. Citizenship is something that is not for sale. Pressure should not be used to make people conform. All the people who come into this country want to become Canadian citizens eventually, but it takes time. The desires of a newcomer are these. First of all he would like to get acquainted with the language of this country. He would like to have economic security. He would like to be socially acceptable in the community or in the area in which he finds himself.

I think we all know that until recently we have not been very effective in selling Canadianism to Canadians. In the early days of the settlement of the west many people were told to become naturalized Canadians because that was the only way in which they could obtain a patent or a title to their homestead. Of course that was not the right way to approach this very important matter. I feel that since the Canadian Citizenship Act came into effect in 1947, very important steps have been taken in the right direction. We are becoming more and more conscious of our responsibilities as Canadian citizens.

At this time the Department of Citizenship and Immigration, with the assistance of some of our organizations such as the Imperial Order of Daughters of the Empire, are doing very good work in first of all trying to get the newcomer acquainted with the facts of this country, the geography, the language and the economic conditions. Second, they are trying to do their best to create a warm and friendly feeling that he is desirable, that he is wanted and that he is also one of us. We may not be doing enough. Probably more should be done along those lines, but certainly in my opinion if this amendment is passed it will not help the situation.

The hon. member pointed out very well that many of those newcomers who came from that area of Europe where there was turmoil, where they found themselves in displaced persons' camps where they were stateless, when they reached the shores of this country were most anxious to obtain their citizenship certificates as soon as possible because they would have something they were not able to get in other places they ran away from. But the fact is some of these other immigrants have come from Holland. Let us not forget that these people come from a different country. They had been very loyal to their queen and to their way of living. They had their roots deep in that country, and after they come to a new land it takes time to get themselves acquainted with the language, to get their new roots in. The reason they came here was that they wanted to become Canadian citizens.

We would be far better off when any newcomer takes the solemn oath to which the hon. member referred, if we knew that he was not taking it because if he did not take it now he would have to wait another five years. We want him to take the oath because he sincerely feels that he is loyal to this country and wants to be a Canadian citizen.

Many things could be said about this amendment, Mr. Speaker. I am afraid I shall have to vote against it.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, like the hon. member for Vegreville, I have every sympathy with the purpose behind the bill which has been introduced by the hon. member for Lambton-Kent (Mr. MacKenzie), but like the hon. member for Vegreville it would not be possible for me to support the bill.

Indeed, I would hope that my hon. friend would not feel like pressing it upon the house at all. It will serve a quite useful purpose to have had this subject raised and to have a little attention drawn to the fact that there is a desire—and I think from the spirit of the house there can be no doubt that the desire is shared by hon. members on both sides of the house and in every corner of the house

—to have the newcomers who have come to live in this country, to make their homes here, become citizens and share fully and equally with us in all the privileges of citizenship.

I agree, of course, with the hon. member for Lambton-Kent that in the technical sense of the word there is no compulsion about the amendment he suggests. I suppose an argument could be made that there was not even any element of implied coercion; but, as the hon. member for Vegreville pointed out, in the explanatary note the word "mandatory" is used. There is no doubt that there is a penalty imposed for not doing something, and for not doing something that I think none of us would want to see done except as a purely voluntary act.

Therefore instead of doing anything that implies in any way any suggestion whatsoever of pressure upon newcomers to join our citizenship, what we ought to try to do is make our citizenship appear to the newcomers so attractive that the great majority of them will need nothing in the law to urge them, when the five year period is up, to make their applications. I do think there are one or two ways in which the objects of this bill can be achieved very much better by other forms of action both on the part of governments and on the part of ordinary citizens.

Perhaps you, sir, and the house will bear with me if I make one or two suggestions as to what some of these things are. I do not think there is anything basically wrong with the citizenship act. It is true that my hon. friend the leader in the other place has introduced a bill which will later come to this house, which proposes to make some minor amendments to the citizenship act. Without at this time anticipating a future debate I should like to emphasize the fact that they are minor amendments and have nothing to do with the fundamental principles on which the law is based. I do not think there is a need for any fundamental change in the law. I do believe there is perhaps some need for improvement in some of the practices.

As far as my department is concerned we try to make the technical side of acquiring citizenship as easy as possible. I refer to the technical side advisedly. I do not think we want to encourage newcomers to treat citizenship lightly, or to have them regard it as a process by which you can put a coin in a slot machine and have a document come out. I feel this is perhaps the most solemn, voluntary act, except marriage, that any individual can take; therefore it ought to be vested with a certain solemnity and it ought to be taken seriously and certainly freely.

However, owing to the geographical nature of this country there are many remote places where newcomers are living where it is very difficult for an individual without considerable cost and inconvenience to appear three times in the court, and that is what is normally now required in order to obtain citizenship. Certain amendments have been made to the regulations to make it somewhat easier to fulfil certain of these technical requirements.

I may say, sir, I would welcome any effort that any hon. member can make in his own district to make these requirements better known to newcomers, and to help them in obtaining their citizenship. I should also welcome from any hon. member on either side of the house any suggestions as to further technical improvements which could be made in the procedure of the department.

With the exception of Montreal, Toronto, and the immediately surrounding areas, and certain remote localities, the Department of Citizenship and Immigration has not set up courts of its own for the purpose of granting citizenship. I think it would be most undesirable to do so, if for no other reason than because it would be a quite unnecessary charge upon the taxpayer. In the normal case the county or district courts, which are of course under the administrative control of the provincial governments, perform this function.

I should like at this time, if it is not inappropriate, to express great appreciation for the devotion not only of the judges of the county courts and the other judges and magistrates in this country who perform this function but also for the devotion and kindness which is generally shown by the clerks and other officials of these courts. I do think there are one or two places where I would hope there would be a little more interest taken by the judges and the clerks in arranging the ceremonies and in conducting the inquiries, because it does make a great deal of difference, I think, to the appreciation that newcomers have of Canadian citizenship if the formal act of acquiring citizenship takes place in an atmosphere which is at once friendly and dignified.

I have had the good fortune to be invited on two or three occasions to take some part in these ceremonies. I do hope that all hon. members who can find the time to do so on some convenient occasion will try to be present at one of the ceremonies, because they are really quite moving experiences. It is extraordinary the emotion that many of the applicants feel on these occasions.

If I were to criticize the work of my predecessors in preparing the present citizenship act—I know there are many arguments on either side—I would say that I sometimes

almost regret that British subjects do not have ceremonies to attend when they obtain their Canadian citizenship. As all hon. members know, British subjects need only fill out the necessary forms and apply to the department, and they receive their certificate through the mail. I think they miss something in a way.

I think it is also true, as the hon. member for Lambton-Kent said in his remarks, that there are a great many British subjects who do not realize that there is any particular advantage to them in applying for certificates and many of them fail to do so until some day they require a passport in a hurry in order to travel abroad.

Mr. Green: May I ask the minister a question? Has he taken out a certificate of Canadian citizenship himself?

Mr. Pickersgill: Yes; not only have I a certificate of Canadian citizenship, but I thank the hon. member for Vancouver-Quadra for giving me an opportunity to advertise these excellent miniature certificates which can be procured for a very modest sum. I am afraid I do not remember whether it is $1 or $2.

Mr. Green: I will venture that you are one of the few hon. members who have such a certificate.

Mr. Pickersgill: I believe the minister has the right in certain circumstances to remit the charge—

Mr. Knowles: You did not do that in your own case, did you?

Mr. Pickersgill: I paid for mine, sir. But I think in some circumstances the minister has the right to remit the charge to others; and if there is any hon. member who would like a certificate and who would supply the necessary information and photograph and feels the fee could be devoted to an even better cause, the minister would do his best in the circumstances to meet his wishes.

An hon. Member: There is no excuse now.

Mr. Pickersgill: The miniature certificate is a very convenient thing to carry around. I have been able to identify myself with it once or twice in this country since I received it; however, I think it is something which all members of parliament might do very well to carry. I find over and over again that people ask me questions about citizenship and about what evidence one can get of citizenship, as the hon. member for Vancouver-Quadra has just done, and I suppose I have pulled this card out of my pocket two or three times during the course of each month since I got it to show it to some one—

Mr. Green: How long have you had it?

Mr. Pickersgill: I think I have had it since they first began to be issued. The issue of these miniature certificates was one of the many excellent reforms instituted by my predecessor, the Minister of Finance (Mr. Harris). He was not in office as minister of citizenship to see the certificates issued, and I believe all the miniature certificates have been issued over my signature. I think perhaps mine was the fourth or fifth certificate to be issued; one or two were issued to my colleagues.

Mr. Fulton: That is a rather serious obstacle, you know.

Mr. Knowles: Is it waterproof?

Mr. Pickersgill: Well, sir, I have never tested its water-resistant qualities. It is encased in some sort of synthetic substance which appears water-proof.

If I might continue with the more serious observations I wish to make, I feel that it is not so much what is done by the officials of the federal government or the courts that is important in making newcomers value Canadian citizenship, it is what was expressed in the words of the hon. member for Vegreville. He told us that immigrants want to get established, they want some measure of economic security; and then the hon. member said—and these are important words—that they want to feel they are socially accepted. That is the real test of citizenship.

Mr. Fairey: May I interrupt the minister. The hon. member for York Centre has just had a daughter.

Mr. Knowles: Don't you mean the hon. member for York-Scarborough?

An hon. Member: Where are the cigars?

Mr. Pickersgill: Mr. Speaker, you and the hon. member for York-Scarborough (Mr. Enfield) are familiar with my views on that form of immigration. Those of us who are Canadian citizens, those of us who, like the hon. member for Victoria (Mr. Fairey), have lived in this country either for a long time or those of us who have lived here all our lives, can do a great deal to make newcomers feel that they are acceptable and accepted in the community, or we can do the reverse. I do not think that there are many organizations in Canada that are more socially useful and more nationally useful than the citizenship committees which exist in so many centres in this country.

On several occasions I have had the opportunity to meet with citizenship committees in various cities in Canada. These committees are generally composed of the representatives of a great variety of voluntary

organizations. It is remarkable the difference that these committees make in the attitude of the whole community toward the newcomers. In that respect it is very different from what I remember as a schoolboy in the days before the first world war, when almost no one paid any attention to the newcomers except those who had business dealings with them, or unfortunately sometimes something worse.

I do think that the extent to which the newcomers are welcomed and accepted into the community will be accurately reflected in the statistics of citizenship certificates granted by the courts in those communities. I feel that in that respect we can take a certain amount of credit—I am not claiming this for the government but for the Canadian people—from the fact that for the last four or five years not only has there been a steady rise in the number of applications for citizenship and the number of certificates issued, but that rise is greater proportionately than the rise in immigration of five years ago. Of course it is hard to measure these things accurately because some immigrants wait for more than five years—some wait for a great many more than five years—before making their applications.

I hope we never will have to follow every newcomer in order to keep track of his every movement and find out whether he intends to stay or whether he goes to another country. I have been told by newcomers that one of the things they find strange about Canada when they first come here is that people let them do what they want to do. Sometimes I think a lot of them would feel easier—I would not say happier—if they were told a little more about what they had to do, but after most of them have been here three, four or six months they do not want to be pushed around or told what they have to do.

I have been told by these people that the greatest thing about this country is not the job they have, not the car they have been able to buy, not the house they have purchased, not any of these material things but the fact that as long as they behave themselves the police will not interfere with them and neither will anyone else.

That is really why I feel that the right way to proceed is not the way which my hon. friend has suggested. I have the highest regard for him, but sometimes he is in a little more of a hurry than those of us who are older and more experienced feel it is wise sometimes to go. I feel that my hon. friend from Lambton-Kent has the right destination in mind, but he is not on the right road. Instead of doing anything that would even smack of putting pressure upon newcomers I feel we should redouble our efforts to make them feel at home in this country, and in that way we will achieve far more than would be achieved by the passing of this legislation.

On motion of Mr. Harris the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Monday is of course private members' day. On Tuesday we shall start with the second reading of the bill with respect to bank guarantees and after that take the resolutions with respect to committees of the house.

Mr. Green: Could the minister indicate in what order?

Mr. Harris: We will take the estimates committee and then the atomic energy committee.

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:

DISABLED PERSONS—REGULATIONS

Question No. 50—**Mr. Diefenbaker:**

What action, if any, has been taken to make changes in and amendments to the regulations passed under the provisions of the Disabled Persons Act to widen the definition of a "disabled person", to the end that in the administration of the said act the act will be interpreted in accordance with the intention of parliament?

Answer by: **Mr. Martin:**

The regulations under the Disabled Persons Act were made by the governor in council following discussions between representatives of the federal government and the provincial governments.

Subsection 2 of section 11 of the Disabled Persons Act provides that—"No regulation, by reference to which an agreement with a province has been made, shall be altered except with the consent of the province or in accordance with the regulations to which it has agreed". Agreements with the provinces have been completed and therefore any change in the provisions of the regulations could become operative only with the consent of the provincial governments.

Arrangements have been made to have the federal medical officers connected with the administration of disabled persons allowances meet in Ottawa in February. An invitation to attend the meeting has been extended to medical officers representing the provinces.

When federal and provincial authorities have the results of the discussions among the medical officers further consideration will be given to the present interpretation given by the regulations to the expression "totally and permanently disabled."

MIDDLESEX COUNTY, ONT.—RURAL MAIL ROUTES

Question No. 67—**Mr. White (Middlesex East):**

1. How many rural mail routes have been extended in the county of Middlesex, in each of the years 1952-55 inclusive?
2. What routes have been extended during that period?
3. What is the increased mileage in each route extended, during the above mentioned years?
4. How many rural mail couriers have received extra mileage pay for the increased mileage covered?

Answer (amended) by: **Mr. Lapointe:**

1. 1952, 4; 1953, 17; 1954, 31; 1955, 25.

2 and 3. 1952—London R.R. No. 6, 1.4 miles; Melbourne R.R. No. 2, 1.2 miles; Mount Brydges R.R. No. 5, 1.0 miles; Wilton Grove R.R. No. 1, 1.4 miles.

1953—Denfield R.R. No. 1, 2.4 miles; Denfield R.R. No. 2, 1.2 miles; Denfield R.R. No. 3, 2.4 miles; Dorchester Station R.R. No. 1, 0.8 mile; Glencoe R.R. No. 2, 0.4 mile; Ilderton R.R. No. 1, 1.2 miles; Ilderton R.R. No. 2, 0.8 mile; Ilderton R.R. No. 3, 2.0 miles; Ilderton R.R. No. 4, 1.2 miles; Kerwood R.R. No. 2, 4.0 miles; Komoka R.R. No. 2, 1.0 mile; Komoka R.R. No. 4, 1.0 mile; Lambeth R.R. No. 3, 1.0 mile; London R.R. No. 5, 1.8 miles; London R.R. No. 6, 0.4 mile; London R.R. No. 10, 1.0 mile; Strathroy R.R. No. 7, 1.2 miles.

1954—Arva R.R. No. 1, 1.6 miles; Clandeboye R.R. No. 1, 1.8 miles; Denfield R.R. No. 1, 1.4 miles; Denfield R.R. No. 2, 0.6 mile; Denfield R.R. No. 3, 0.8 mile; Dorchester Station R.R. No. 2, 1.6 miles; Glencoe R.R. No. 1, 1.6 miles; Glencoe R.R. No. 2, 1.6 miles; Granton R.R. No. 3, 1.8 miles; Hyde Park Corner R.R. No. 1, 2.4 miles; Ilderton R.R. No. 1, 2.3 miles; Ilderton R.R. No. 2, 4.6 miles; Komoka R.R. No. 2, 1.0 mile; London R.R. No. 1, 0.4 mile; London R.R. No. 3, 1.6 miles; London R.R. No. 5, 2.6 miles; London R.R. No. 6, 0.9 mile; London R.R. No. 7, 1.5 miles; London R.R. No. 8, 0.6 mile; London R.R. No. 9, 1.0 mile; London R.R. No. 10, 0.4 mile; Lucan R.R. No. 1, 1.0 mile; Mossley R.R. No. 2, 0.8 mile; Mount Brydges R.R. No. 1, 0.4 mile; Newbury R.R. No. 1, 0.6 mile; Park Hill R.R. No. 8, 0.6 mile; Strathroy R.R. No. 5, 1.4 miles; Strathroy R.R. No. 6, 0.8 mile; Thorndale R.R. No. 4, 0.8 mile; Wardsville R.R. No. 2, 1.0 mile; Wilton Grove R.R. No. 2, 2.8 miles.

1955—Arva R.R. No. 1, 1.0 mile; Byron R.R. No. 1, 8.9 miles; Clandeboye R.R. No. 1, 0.6 mile; Denfield R.R. No. 1, 1.8 miles; Denfield R.R. No. 2, 1.4 miles; Denfield R.R. No. 4, 0.8 mile; Dorchester Station R.R. No. 1, 3.2 miles; Dorchester Station R.R. No. 2, 5.4 miles; Hyde Park Corner R.R. No. 1, 1.0 mile; Ilderton R.R. No. 1, 1.8 miles; Ilderton R.R. No. 2, 3.0 miles; Ilderton R.R. No. 3, 1.2 miles; Komoka R.R. No. 3, 0.6 mile; Komoka R.R. No. 4, 0.4 mile; London R.R. No. 3, 1.0 mile; London R.R. No. 5, 4.6 miles; London R.R. No. 7, 1.4 miles; London R.R. No. 8, 1.6 miles; London R.R. No. 9, 1.0 mile; Mount Brydges R.R. No. 4, 0.8 mile; Newbury R.R. No. 3, 1.6 miles; Park Hill R.R. No. 2, 1.4 miles; Strathroy R.R. No. 3, 2.2 miles; Strathroy R.R. No. 5, 1.4 miles; Wilton Grove R.R. No. 1, 0.4 mile.

4. All contractors of extended routes received additional payment at *pro rata* for the increased mileage.

Questions

HEALTH AND WELFARE—CIVIL AVIATION MEDICINE DIVISION

Question No. 102—**Mr. Proudfoot:**

What are the functions of the civil aviation medicine division of the Department of National Health and Welfare?

Answer by: **Mr. Martin:**

The function of the civil aviation medicine division of the Department of National Health and Welfare is to advise the air services branch of the Department of Transport, the medical profession, and other civil aviation organizations on all problems relating to the health, safety and comfort of civil air crew and passengers.

This includes administering physical standards for civil aviation personnel, training and administering a medical service to examine aviation personnel, maintaining adequate physical records, maintaining liaison with the national research council, defence research medical laboratory, the R.C.A.F. institute of aviation medicine and the major air lines through their medical directors in initiating and applying research projects, representing the Canadian government at international civil aviation medical meetings, etc.

FISH LANDINGS, NOVA SCOTIA, 1955

Question No. 109—**Mr. Balcom:**

1. What were the landings, by counties, of the main species of fish in Nova Scotia, during the calendar year 1955?
2. What was the landed value, by counties, of these same species in the same period?

Answer by: **Mr. Sinclair:**

Landings and Landed Value of the Main Species of Fish in Nova Scotia, 1955

(Preliminary figures)

County	Total landings ('000 lb.)	Total landed value ('000 $)
Victoria	11,762	546
Inverness	8,814	574
Cape Breton	53,054	2,432
Richmond	30,377	1,313
Pictou	3,561	701
Antigonish	1,495	298
Guysboro	35,441	1,779
Halifax	82,785	3,624
Lunenburg	63,704	2,990
Queens	8,104	485
Shelburne	61,830	4,054
Yarmouth	19,125	2,436
Digby	31,009	1,548
Annapolis	2,613	165
Kings	891	47
Hants	499	11
Colchester	707	49
Cumberland	1,981	339
TOTAL	417,752	23,391

"THE AGE OF MACKENZIE KING"

Question No. 110—**Mr. Bryson:**

1. Was a Canadian Broadcasting Corporation panel discussion dealing with the book, "The Age of Mackenzie King", by Ferns and Ostry, scheduled for eleven p.m. on December 20, cancelled?
2. If so, on whose authority was it cancelled?
3. Is it the intention of the Canadian Broadcasting Corporation to proceed with this program at a future date?
4. Does the Canadian Broadcasting Corporation intend to air a review of this book in the near future?
5. If so, on what date, and by whom?

Answer by: **Mr. McCann:**

1. Consideration had been given to including in the radio network program "Anthology" a sound recording of a television discussion on the book "The Age of Mackenzie King" if such a television program took place. Since a television program of the kind was not proceeded with there was no such recording available for the radio program "Anthology".

2. The Canadian Broadcasting Corporation has full authority and sole responsibility for all program decisions.

3. Not at the present time as outlined in No. 1.

4. Under consideration.

5. See answer to No. 4.

WHEAT BOARD—THREATS TO RESIGN

Question No. 125—**Mr. Diefenbaker:**

1. Did the chairman or any members of the wheat board notify the government at any time since July 1, 1955, that they would resign within a matter of days if cash advances on farm-stored wheat were brought into effect?
2. If so, which of them did so?
3. What was the date or dates of said notifications and were same given verbally or in writing?

Answer by: **Mr. Howe (Port Arthur):**

1. No.
2. Answered by No. 1.
3. Answered by No. 1.

END OF VOLUME I